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EIGHTH ANNUAL REPORT

OF THE

BOARD

OF

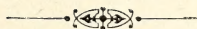
RAILROAD COMMISSIONERS

OF

NORTH CAROLINA

FOR THE

YEAR ENDING DECEMBER 31, 1898



RALEIGH

GUY V. BARNES, PRINTER TO COUNCIL OF STATE

1898

NORTH CAROLINA RAILROAD COMMISSION.

L. C. CALDWELL,
CHAIRMAN,
JNO. H. PEARSON,
D. H. ABBOTT.

HENRY C. BROWN,
CLERK.

STATE OF NORTH CAROLINA.

OFFICE OF THE BOARD OF RAILROAD COMMISSIONERS.

RALEIGH, N. C., *December 31, 1898.*

To the Honorable D. L. RUSSELL,
Governor of North Carolina :

SIR:—Pursuant to law the Board of Railroad Commissioners have the honor to submit to your Excellency the annual report, embracing a statement of all the business transacted by the railroads in the State during the present year, together with that of telegraph, telephone and steamboats, also the valuation of the property of each as assessed for taxation.

After deliberation, the Board decided to increase the valuation of the railroad and telegraph companies \$4,462,768.95, which increase was acquiesced in by those interested.

For years the different transportation companies had extended many courtesies, in the way of giving free passes, without any intention of violating the law.

On February 23, 1898, an order was passed by the Board of Railroad Commissioners, prohibiting the further giving of any special rate, rebate, etc., and demanding a strict compliance with section 4, chapter 320 of the Acts of the General Assembly. (Order No. 81.)

The Board respectfully submits to your Excellency, that said order is being “lived up to” by the roads, and that absolute equality—the demand of the law—is being measured out.

The delay, formerly, in settlement of overcharges upon shipments has been met by requiring the common carrier, within thirty days after notice of such overcharge, to refund the same. (Order No. 77.)

The general depression of our agricultural interest brought up for consideration the rates upon commercial fertilizers and corn to points within the State, and the same has been equitably adjusted by the roads, showing a desire to bear some of the burdens and putting in force the orders made by this Board, respectively, twenty per cent reduction on fertilizers and ten per cent on corn. (Order No. 78. Order No. 79.)

Another order of the Board, of great convenience to the travelling public, is that where mileage books are made good for members of families and those living as a part of said families—thus consolidating many tickets into one purchase. (Order No. 89.)

It was the desire of the Board to have the telegraph and express companies contribute to the maintenance of the late unpleasantness with Spain, by the payment of the tax imposed by Congress upon all bills of shipments and messages handled. The Express Company complied with an order of this Board, requiring the carrier to affix the stamp—but after being enjoined, and a decision of the courts, the Board was compelled to rescind its order touching the payment of said tax by the Telegraph Company, and the “Joneses pay the freight.”

The Telephone charges have been considered by us, and action taken, making a reduction in the rates charged. A determination thereof must await the adjudication of our State courts, where the same is now pending.

The reduction of the passenger rates upon various roads of the State has been under consideration and has received most careful attention, and while no general reduction has been made, the Board, in its judgment, selected the great systems, and after gathering all the information possible, reduced the rates on the Wilmington and Weldon line from $3\frac{1}{4}$ cents to $2\frac{1}{2}$ first-class, and from $2\frac{3}{4}$ to 2 cents second-class, this line being by far the most able to stand the reduction. This matter is now pending in the Federal Courts.

The same questions of law, and almost of facts, arose in the consideration of the reduction of the rates upon the Raleigh and Gaston Road as in the Wilmington and Weldon Road, and the Board not desiring to multiply the actions in courts and add expenses to the State, ordered the decision in the Raleigh and Gaston withheld, to abide the decision in the cause now pending.

The rate upon the North Carolina Road was not reduced, for the reasons set forth in the report.

It has been the duty and pleasure of the Board to pass upon all matters coming before us, and to give each that consideration necessary to a proper determination thereof.

All of which is submitted with the accompanying report.

Respectfully submitted,

L. C. CALDWELL, *Chairman,*

JNO. H. PEARSON,

D. H. ABBOTT,

Commissioners.

H. C. BROWN, *Clerk.*

RAILROAD COMMISSION ACT.

[AS AMENDED.]

An Act to Provide for the General Supervision of Railroads, Steamboat or Canal Companies, Express and Telegraph Companies Doing Business in the State of North Carolina.

The General Assembly of North Carolina do enact :

SECTION 1. That there shall be three Commissioners General Assembly to elect three Commissioners. Member of General Assembly ineligible. elected by the General Assembly to carry out the provisions of this act, and no member of this General Assembly shall be eligible for the position of Railroad Commissioner. The term of office of said Commissioners shall begin on the first day of April next after Term of office. their election and shall continue for six years, but the terms of office of the Commissioners first elected, which shall be by the General Assembly, shall be as follows: one for two years, one for four years and one for six years. The General Assembly next preceding the expiration of the term of office of any of said Commissioners shall elect his successor. In case of vacancy the Governor shall appoint to such va- Vacancies. cancy, and his appointee shall hold until the qualification of his successor, who shall be elected by the General Assembly that convenes next after the vacancy has taken place, and the person then chosen shall hold the office for the unexpired term. The said Commissioners, in addition to the oath to support the Oath. Constitution and laws of the United States and the Constitution and laws of the State of North Carolina, shall take, to be administered by one of the Judges of the Supreme Court, the following oath of office, which oath shall be signed by said Commissioner and attested by said Judge and recorded in the office of the Secretary of State: "I do solemnly swear (or affirm) that I am not the owner of any steamboat or

Qualifications of
Commissioners.

of any stock or bond of any railroad or other transportation company, express or telegraph company, or the agent or attorney or employee of such company; that I have no interest in any way in any such company, and that I will well and faithfully execute the duties of my office of Railroad Commissioner to the best of my knowledge and ability, without fear, favor or malice, or reward or hope of reward: so help me God." Said Commissioners shall not jointly, or severally, or in any way, be the holder of any stock or bond, or be the agent or attorney or employee of any such company, or have any interest in any way in such company, and shall so continue during the term of his office, and in case any Commissioner shall as distributee or legatee, or in any other way, have or become entitled to any stock or bonds or interest therein of any such company he shall at once dispose

Suspension from
office by Governor.

of the same; and in case any Commissioner shall fail in this, or in case any one of them shall become disqualified to act, then it shall be the duty of the Governor to suspend him from office, and to report the fact of his suspension, together with the reason therefor, to the next General Assembly, and the question of his removal from office shall be determined by a majority of the General Assembly in joint session.

Vacancy.

General Assembly
to determine
question of sus-
pension.

In any case of suspension the Governor shall fill the vacancy, and if the General Assembly shall determine that the Commissioner suspended shall be removed, then the appointee of the Governor shall hold until his successor is elected and qualified as hereinbefore provided, but if the General Assembly shall determine that the suspended Commissioner shall not be removed from his office, then the effect shall be to reinstate him in said office. The person discharging the duties of said office shall be entitled to a salary for the time he is so engaged, but a Commissioner who is suspended shall be allowed the salary during his suspension in case he should be reinstated by the next Gen-

Reinstatement.

Salary during
term of suspen-
sion.

eral Assembly: *Provided*, that no person is eligible as such Commissioner who shall have been an attorney of any such company within twelve months next preceding his election to such office.

Attorneys of companies ineligible.

SEC. 2. That the salary of the Commissioners shall be two thousand dollars per annum, payable annually by the public Treasurer on the warrant of the Auditor, and they may employ a Clerk, whose salary shall be twelve hundred dollars, which shall be paid quarterly on the warrant of the Auditor out of any funds not otherwise appropriated. The office of said Commissioners shall be kept in Raleigh, and they shall be furnished with an office, necessary furniture and stationery, which shall be paid for by the public Treasurer on the warrant of the Auditor. Any one of said Commissioners shall have power to administer an oath or affirmation in any and all matters relating to their official duties. The General Assembly shall designate the chairman of said Commissioners, and in the event of the vacancy or the absence of the chairman, the Board of Commissioners shall fill the vacancy *pro tem*. Any two Commissioners shall constitute a quorum for the transaction of business.

Salary of Commissioners.

Clerk.

Office to be in Raleigh.

Commissioners authorized to administer oaths.

General Assembly to designate chairman

Quorum.

SEC. 3. That from and after the passage of this act if any railroad doing business in this State, or any such company organized under the laws of any other State and doing business in this State, shall charge, collect, demand or receive more than a fair and reasonable rate of toll or compensation for the transportation of passengers or freight of any description, or for the use and transportation of any railroad car upon its track, or any of the branches thereof, or upon any railroad in this State which has the right, license or permission to use, operate or control the same, shall be deemed guilty of extortion, and upon conviction thereof shall be fined not less than five hundred nor more than five thousand dollars, to be recovered as provided for in section seven of this act.

Railroad company charging unreasonable rates, etc., guilty of extortion.

Penalty.

Common carriers demanding, etc., greater or less compensation for transportation from one person than another, guilty of unjust discrimination.

SEC. 4. That if any common carrier subject to the provisions of this act shall directly or indirectly, by any special rate, rebate, drawback or other device, charge, demand, collect or receive from any person or persons a greater or less compensation for any service rendered or to be rendered in the transportation of passengers or property subject to the provisions of this act than it charges, demands or collects or receives from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions, such common carrier shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be unlawful. That it shall be unlawful for any common carrier subject to the provisions of this act to make or give any undue or unreasonable preference or advantage to any particular person, company, firm, corporation or locality, or any particular description of traffic in any respect whatsoever, or to subject any particular person, company, firm, corporation or locality, or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever, and any person, persons, company or corporation violating the provisions of this section shall be, upon conviction thereof, fined not less than one thousand nor more than five thousand dollars for each and every such offence.

Unlawful to give undue preference, etc.

Penalty.

Commissioners to make rates of freight and passenger tariff, etc.

SEC. 5. That the said Commissioners appointed as hereinbefore provided, shall, as hereinafter provided, make reasonable and just rates of freight and passenger tariffs, or cause the same to be furnished by any railroad company, and the same, when approved by said Commissioners, shall be observed by such company or companies doing business in this State; and in making said rates they shall, unless such railroad company or companies shall fail to furnish the needed

What to consider in making rates.

information, consider, as far as practicable, the actual value of the employed capital of the corporation, the earnings of the railroad and the cost of operating the same, the competition of rival lines of water and railroad transportation companies within the State, and any and all other matters proper to be considered by them; shall make reasonable and just rules and regulations to be observed by all railroad companies doing business in this State as to charges at any and all stations for the necessary handling and delivering of freight; shall make such just and reasonable rules and regulations as may be necessary for preventing the careless handling of and damage to any parcel of baggage to which a check may be affixed as provided in section 1970 of *The Code* of North Carolina, unjust discrimination in the transportation of freight and passengers on the railroads in the State; shall make reasonable and just rates of charges for use of railroad cars carrying any and all kinds of freight and passengers on said railroad, no matter by whom owned or carried; and shall make just and reasonable rules and regulations to be observed by said railroad companies on said railroads to prevent the giving, paying or receiving of any rebate or bonus directly or indirectly, and from misleading or deceiving the public in any manner as to the real rates charged for freight or passengers; and may make or cause to be furnished by the several roads joint through rates upon the railroads of the State; and shall make all just and reasonable rules, regulations and orders as may be necessary for carrying into effect the provisions of this act. Any company refusing to comply with any rule, regulation or order of the said Railroad Commission made in pursuance of this section, shall incur a penalty, to be fixed as provided in section 20 of said Act of 1891, and all penalties fixed by the Railroad Commission in any case shall be recovered as provided in the tenth section of said Act of 1891. Whenever

To make rules as to charges for handling freight and baggage.

As to unjust discriminations.

As to charges for carrying freight and passengers.

To prevent giving rebate, etc.

Joint through rates.

Penalty for violation of this section.

an action is instituted by the said Railroad Commission against any company, the cause shall be entitled, "State of North Carolina on the relation of the Railroad Commission against said company," and whenever such action is instituted upon the complaint of any injured person or corporation the case shall be entitled, "State of North Carolina on the relation of the Railroad Commission, upon the complaint of such injured person or corporation against said company."

Unlawful to charge more for shorter than long distance, etc.

SEC. 6. That it shall be unlawful for any common carrier, subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers or of like kind of property under substantially similar circumstances and conditions, for a shorter than for a longer distance over the same line, in the same direction, the shorter being included within the longer distance; but this shall not be construed as authorizing any common carrier within the terms of this act to charge and receive as great compensation for a shorter as for a longer distance: *Provided, however*, that upon application to the Commission appointed under the provisions of this act such common carrier may, in special cases, after investigation by the Commission, be authorized to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may, from time to time, prescribe the extent to which such designated common carrier may be relieved from the operation of this section of this act: *Provided*, that nothing in this act contained shall be taken as in any manner abridging or controlling the rates of freight charged by any railroad in this State for conveying freight which comes from or goes beyond the boundaries of the State, and on which freight less than local rates on any railroad carrying the same are charged by such railroads, but said railroad companies shall possess the same power and right to charge such rates for

Not to charge as much for short as long distances.

Special cases.

Relief from operation of this section.

Interstate transportation of freight.

carrying such freight as they possessed before the passage of this act: *Provided further, however*, that upon the complaint of any person or persons, corporation or corporations, to said Commissioners of any unjust discrimination in carrying freight which comes from or goes beyond the boundaries of the State by any railroad company, whether organized under the laws of this State or organized under the laws of another State and doing business in this State, the said Commissioners shall investigate said complaint, and, if the same be sustained, it shall be the duty of said Commissioners to bring said complaint before the Interstate Commission for redress in accordance with the provisions of the act of Congress establishing said Interstate Commerce Commission: *Provided further*, that the Railroad Commissioners conjointly with such companies shall have authority to make special rates for the purpose of developing all manufacturing, mining, milling and internal improvements in the State: *Provided further*, that nothing in this act shall prohibit railroad or steamboat companies from making special passenger rates with excursion or other parties, also rates on such freights as are necessary for the comfort of such parties, subject to the approval of the Commissioners.

To investigate complaints as to Interstate rates of freight, and bring to attention of Interstate Commerce Commission.

Special rates for development of manufacturing, etc., improvements.

Special excursion rates, etc.

SEC. 7. That the said Commissioners are hereby authorized and required to make for each of the said companies doing business in this State, as soon as practicable, just and reasonable rates of charges for transportation of passengers and freights and cars on each of the railroads, or cause the same to be made by said companies, and the schedule containing said rates shall, in suits brought against any such company wherein is involved the charges of any such company for the transportation of any passenger or freight or cars, or unjust discrimination in relation thereto, be taken in all Courts of this State as *prima facie* evidence that the rates therein fixed are just and rea-

Commissioners to make rates of charges for transportation of passengers and freight.

Schedule to be *prima facie* evidence of justice and reasonableness of rates.

Change of
schedules.

Companies to post
schedules at
stations.

Schedules to be
prima facie evi-
dence, etc.

Appeal by com-
pany.

Exceptions to be
filed.

Notice of appeal.

Commissioners to
transmit record,
etc.

sonable rates of charges for the transportation of passengers and freights and cars upon the railroads; and said Commissioners shall from time to time, and as often as circumstances may require, change and revise or cause to be changed and revised said schedules. When any schedule shall have been made or revised as aforesaid, it shall be the duty of all such companies to post at all their respective stations in a conspicuous place a copy of said schedule for the information of the people. All such schedules as aforesaid shall be received and held in all such suits as *prima facie* evidence the schedules of said Commissioners, without further proof than the production of the schedules desired to be used as evidence, with a certificate of the Commissioners that the same is a true copy of the schedule prepared or approved by them for the railroad company or corporation therein named: *Provided*, that any company may appeal to the Judge of the Superior Court in term-time and thence to the Supreme Court from any determination of the Board fixing or refusing to change the rate of freight or fare; but that before such company shall be allowed to exercise this right of appeal, it shall, within ten days after notice of the rates fixed by the Commissioners, file with the Board exceptions to the particulars that it objects to, and the grounds thereof, and within ten days after filing such exception the Commissioners shall hear the same, and if they shall overrule any one of said exceptions, then such corporation, if it desires to appeal to said Superior Court, shall, within ten days thereafter, give notice of appeal to said Superior Court, and the said Commissioners shall thereupon transmit to the Superior Court of some county most convenient to all parties interested in said appeal a record of their determinations of the rates of said corporation, with the exception of the company and their decisions thereon, and all the papers and evidence considered by them in making their

decision. The said cause shall be placed on the civil issue docket of said Court and shall have precedence of other civil actions, and shall be tried under the same rules and regulations as are prescribed for the trial of other civil causes, except that the rates fixed by the Commissioners shall be *prima facie* just and fair: *Provided*, the appeal may, by consent of the Commissioners and the company, be heard and determined in chambers before any Judge of a district through or into which the railroad may extend, or any Judge holding Court therein. The cause shall be entitled "State of North Carolina on the relation of the Railroad Commissioners against such company." Appeal to have precedence. How tried.

Either party may appeal to the Supreme Court from the judgment of the Superior Court under the same rules and regulations as prescribed by law for appeal, except that the State of North Carolina, if it shall appeal, shall not be required to give an undertaking or make any deposits to secure the cost of such appeal; and such Court may advance the cause on their docket so as to give the same a speedy hearing: *Provided*, that the rates of freight and fare fixed by the Commissioners shall be and remain the established rates, and shall be so observed and regarded by such corporations, until the same shall be changed, reversed or modified by the judgment of the Superior Court, unless the railroad company shall, within fifteen days, file with said Commissioners a justified undertaking (in a sum to be fixed by said Commissioners) conditioned to pay into the Treasury of North Carolina the difference between the aggregate freights charged or received and those fixed by said Commissioners, and to make a report of freights charged or received every three months during the pendency of such appeal, and whenever the aforesaid difference in freights equals or exceeds the penalty of such undertaking or undertakings, said Commissioners may require another to be executed and filed with them. Appeals heard in chambers by consent.

Title of cause.

Appeal to Supreme Court.

Advancement of cause on docket.

Rates fixed by Commissioners to remain until reversed on appeal, unless company files undertaking, etc.

Additional undertaking.

Judgment vacated
on filing of
undertaking.

Judgment revived
on failure to file
additional
undertaking.

Refunding to
shippers.

Proviso.

Suit on under-
taking.

Rates, when ap-
proved on appeal
to Superior Court
to be established
rates, until re-
versed on appeal
to Supreme Court.

No Judge to grant
injunction unless
requiring under-
taking to be filed
with Commis-
sioners, etc.

Conditions of
undertaking.

From the time the undertaking first mentioned is filed as aforesaid, the judgment appealed from shall be vacated, but a failure for ten days to file any additional undertaking required as aforesaid by said Commissioners shall *eo instanti* revive such judgment. Out of the funds paid into said Treasury under this section shall be refunded to shippers the overpaid freight ascertained by the final determination of the appeal, on the recommendation of said Commissioners: *Provided*, application therefor is made within one year from such final determination. Said undertaking shall be payable to the State of North Carolina and sued on as other undertakings which are payable to said State: *And provided further*, that such rates fixed by the Commissioners, when approved or confirmed by the judgment of the Superior Court, shall be and remain the established rates and shall be so observed and regarded by such corporation until the same shall be changed, revised or modified by the final judgment of the Supreme Court if there shall be an appeal thereto. No Judge shall grant an injunction, restraining order or other process staying or affecting, during the pending of such appeal, the enforcement of any such determination of the said Board fixing rates or fares without requiring as a condition precedent the executing and filing with said Board a justified undertaking in the sum of not less than twenty-five thousand dollars for all companies whose road is of less length than fifty miles and fifty thousand dollars for companies whose road is over fifty miles in length, conditioned that the company will make and file with said Board a sworn statement every three months, during the pending of said appeal, of the items of freight, with names of shippers, carried over said company's road within the preceding ninety days, showing the freights charged and those fixed by said Board, and that in the event the determination of said Board appealed from is affirmed in

part or in whole the said company shall within thirty days pay into the Treasury of North Carolina the aggregate difference between the freights collected and those fixed by the final determination of the matter appealed. Whenever the aggregate difference between the freights collected and those fixed by the Board shall equal or exceed the sum specified in said undertaking, the said Board shall notify the appellant or appellants that another justified undertaking in like sum and with the same conditions as aforesaid is required to be executed and filed with said Board. Additional undertaking.

A failure to file with said Board the sworn statement provided for in this section or any one of them when more than one is required or asked for, or a failure to give an additional undertaking when required within fifteen days from notice so to do, shall vacate and render null and void any restraining order, injunction or other process to stay the enforcement of any determination of said Board as to schedules of rates, etc. When injunction to be deemed vacated, etc.

When any of the conditions of such undertaking or undertakings are broken the said undertaking or undertakings may be sued on and enforced in the name of the State of North Carolina on the relation of the Attorney-General by summons returnable to the Superior Court of any county in the State at a regular term thereof. In cases where the sworn statements herein required to be made are not made, the whole penalty of the undertaking or undertakings shall be enforced and paid into the State Treasury. Action on undertaking.

The sums paid into the Treasury under the provisions of this section shall be used to reimburse the shippers of freights for the excess of freights paid over what should have been paid, such reimbursements to be made on recommendation of said Board: Reimbursement of shippers

Provided, application therefor is made within one year after the determination of the appeal in which the undertaking or undertakings were given. Proviso.

The recovery in each undertaking shall be applied as afore- Application of recovery on undertaking.

Solicitor to prosecute action.

Attorney-General to prosecute on appeal to Supreme Court.

Companies to file schedule of rates with Commissioners within thirty days after organization.

Commissioners to publish.

Duties of Commissioners.

Empowered to examine officers, etc., under oath, etc.

said to such excess of freights as is paid during the period covered by such undertaking. The Solicitor of the district shall prosecute the action in his Court on behalf of the State, and shall be allowed such fees, to be taxed in the bill of costs, as the Court may order; and the Attorney-General shall prosecute on appeal to the Supreme Court on behalf of the State and shall be allowed such fees, to be taxed in the bill of costs, as the Court shall allow. Each railroad corporation or other company as hereinbefore named shall, within thirty days after the organization of the Commissioners, file with said Commissioners a schedule of their rates of charges for freight and passenger tariffs, and the said Commissioners are authorized and required to publish the said rates or a summary thereof in some convenient form for the information of the public and quarterly thereafter the changes made in said schedules if they deem it advisable.

SEC. 8. That it shall be the duty of said Commissioners in the discharge of their duties under this act to investigate the books and papers of all the railroad companies doing business in the State, to ascertain if the rules and regulations aforesaid have been complied with and to make personal visitations of railroad offices, stations and other places of business for the purpose of examination and to make rules and regulations concerning such examinations, which rules and regulations shall be observed and obeyed as other rules and regulations. Said Commissioners shall have full power and authority to examine all officers, agents and employees of said railroad companies and other persons, under oath or otherwise, in order to procure the necessary information to make just and reasonable rates of freight and passenger tariffs and to ascertain if such rules and regulations are observed or violated, and to make necessary and proper rules and regulations concerning such examinations, and which rules and regulations herein provided for shall

be obeyed and enforced as all other rules and regulations provided for in this act.

SEC. 9. That all contracts and agreements between railroad companies doing business in this State as to rates of freight and passenger tariffs shall be submitted to said Commissioners for inspection and correction that it may be seen whether or not they are a violation of law or of the provisions of this act, or of the rules and regulations of said Commissioners; and all arrangements and agreements whatever as to the division of earnings of any kind by competing railroad companies doing business in this State shall be submitted to said Commissioners for inspection and approval in so far as they affect rules and regulations made by said Commissioners to secure to all persons doing business with said companies just and reasonable rates of freight and passenger tariffs, and said Commissioners may make such rules and regulations as to such contracts and agreements as may then be deemed necessary and proper, and any such agreements not approved by such Commissioners, or by virtue of which rates shall be charged exceeding the rates fixed for freight and passengers, shall be deemed, held and taken to be violations of this act, and shall be illegal and void.

Contracts between railroad companies as to rates to be submitted to Commissioners, etc.

Arrangements, etc., for division of earnings to be submitted, etc.

Commissioners to make necessary rules, etc.

Agreement not approved by Commissioners to be deemed violation of this act.

SEC. 10. That if any railroad company doing business in this State by its agents or employees shall be guilty of a violation of the rules and regulations provided and prescribed by said Commissioners, and if, after due notice of such violation, given to the principal officer thereof, if residing in the State, and if not, to the manager, or superintendent, or secretary, or treasurer, if residing in the State, and if not, then to any local agent thereof, ample and full recompense for the wrong or injury done thereby to any person or corporation as may be directed by said Commissioners shall not be made within thirty days from the time of such notice, such company shall incur a pen-

Penalty against company violating rules and failing to make recompense.

alty for each offence of not less than fifty dollars nor more than five thousand dollars, to be fixed by the judge of the court in which such action shall be tried.

Action to recover penalty.

An action for the recovery of any penalty under this act shall be in the county in which said penalty has been incurred, and shall be instituted in the name of the State of North Carolina on the relation of the Railroad Commissioners against the company incurring such penalty, or whenever such action is upon the complaint of any injured person or corporation,

Commissioners to institute action.

it shall be instituted in the name of the State of North Carolina on the relation of the Railroad Commissioners upon the complaint of such injured person, or corporation, against the company incurring such penalty. Such action shall be instituted and prosecuted by the Attorney-General, or the Solicitor of the Judicial District in which such penalty has been incurred, and the Judge before the same is tried shall determine the amount of compensation to be allowed the Attorney-General or such Solicitor prosecuting said action for his services, and such compensation so determined shall be taxed as a part of the cost. The procedure in such actions, the right of appeals and the rules regulating appeals shall be the same as are now provided by law in other civil actions.

Fees of Attorney-General or Solicitor.

Action by person injured by violation by railroad company of rules provided by Commissioners.

SEC. 11. That if any railroad company doing business in this State shall, in violation of any rule or regulation provided by the Commissioners aforesaid, inflict any wrong or injury on any person, such person shall have a right of action and recovery for such wrong or injury in the county where the same was done or where the plaintiff resides, in any court having jurisdiction thereof, and the damages to be recovered shall be the same as an action between individuals, except that in case of willful violation of law such railroad companies shall be liable to exemplary damages: *Provided*, that all suits under this act shall

Exemplary damages.

be brought within twelve months after the commission of the alleged wrong or injury: *Provided further*, that if an individual is killed, the time during which there is no administration shall not be counted: *Provided*, letters of administration are taken out within one year from the killing.

Suits to be brought within twelve months. If person killed, time when no administration not to be counted, if letters of administration taken out in one year.

SEC. 12. That in all cases under the provisions of this act the rules of evidence shall be the same as in civil actions, except as provided by this act. All fines recovered under the provisions of this act shall be paid into the State Treasury to be used for such purposes as the General Assembly may provide. The remedies hereby given the persons injured shall be regarded as cumulative to the remedies now given or may be given by law against railroad corporations, and this act shall not be construed as repealing any statute giving such remedies.

Rules of evidence.

Fines payable into State Treasury.

Remedies cumulative.
No statutes giving remedies against railroads repealed.

SEC. 13. That the terms "such companies" or "railroad company" contained in this act shall be deemed and taken to mean all corporations, companies or individuals now owning or operating, or which may hereafter own or operate, any railroad, street railways, steamboat, canal, express business or telegraph and telephone line, in whole or in part in this State, and the provisions of this act shall apply as far as applicable to all persons, firms and companies, and to all associations or persons, whether incorporated or otherwise, that shall do business as common carriers in this State the same as railroad corporations hereinbefore mentioned. This shall not apply to street railways whose lines are wholly in the corporate limits of any town, unless said street railway does a business of hauling freight.

Meaning of "such companies" and "railroad company."

To whom provisions of this act applicable.

SEC. 14. That all railroad companies in this State shall, on demand, issue duplicate freight receipts to shippers, in which shall be stated the class or classes of freight shipped, the freight charges over the road giving the receipt, and, so far as practicable, shall

Railroad companies to give duplicate freight receipts.

What to contain.	state the freight charges over the roads that carry such freight. When the consignee presents the railroad receipt to the agent of the railroad that delivers
To deliver freight shipped.	such freight, such agent shall deliver the articles shipped upon payment of the rate charged for the class of freight mentioned in the receipt. If any railroad company shall violate the provisions of this statute, not otherwise provided for, such railroad company shall incur a penalty, to be fixed and collected as provided in section ten of this act.
Penalty for violation of this section.	
Commissioners to make annual reports to Governor.	SEC. 15. That it shall be the duty of the Commissioners herein provided for to make to the Governor annual reports of the transactions of their office, and to recommend, from time to time, such legislation as they may deem advisable under the provisions of this act, and the Governor shall have one thousand copies of such report printed for distribution.
One thousand copies to be printed	
Commissioners empowered to subpoena witnesses.	SEC. 16. That said Railroad Commissioners in making any examination for the purpose of obtaining information pursuant to this act shall have power to issue subpoenas for the attendance of witnesses by such rules as they may prescribe; and said witness shall receive for such attendance two dollars per day and five cents per mile traveled by the nearest practicable route in going to and returning from the place of meeting of said Commissioners, to be ordered paid by the Governor upon presentation of subpoenas sworn to by the witnesses, as to the number of days served and miles traveled, before the Clerk of said Commissioners, who is hereby authorized to administer oaths. In case any person shall willfully fail or refuse to obey such subpoenas, the Commissioners shall have power to issue an attachment for such witness and compel him to attend before the Commissioners and give his testimony upon such matters as shall be lawfully required by such Commissioners; and said Commissioners shall have power to punish, for contempt, as in other cases of refusal to obey the process and order
Witness fees.	
How paid.	
Attachment against witness failing to attend.	
Punishment for contempt.	

of any Court. The Clerk of said Commissioners may serve any notice issued by them, and his return thereof shall be evidence of said service; and it shall be the duty of the Sheriffs in the State to serve any process, subpoenas and notices issued by said Commissioners, and they shall be entitled therefor to the same fees as are prescribed, or may be prescribed, for serving summons issuing from the Superior Court, and they shall be liable to the same fines and penalties for failure to discharge their duties on that behalf.

Service of notices by Clerk.

Duty of Sheriffs to serve process.

Fees.

Liability to fines, etc.

SEC. 17. That every officer, agent or employee of any railroad company, express or telegraph company, who shall willfully neglect or refuse to make and furnish any report required by the Commissioners for the purpose of this act, or who shall willfully or unlawfully hinder, delay or obstruct said Commissioners in the discharge of the duties hereby imposed upon them, shall forfeit and pay a sum not less than one hundred and not more than five thousand dollars for each offence, to be recovered in an action in the name of the State. A delay of ten days to make and furnish such report shall raise the presumption that the same was willful.

Penalty against officer, etc., of railroad company willfully failing to make report, etc.

How recovered.

Presumption of willful failure.

SEC. 18. That section one thousand nine hundred and sixty-one of The Code be amended by striking out all after the word "road" in the third line thereof, and all other laws and parts of laws which allow any railroad to charge [a greater] rate for freight or fare than shall be fixed by the said Commissioners are hereby repealed, and all laws and parts of laws inconsistent with the provisions of this act are hereby repealed.

Code, section 1961, amended.
Law prohibiting reduction of rates reducing profits to less than six per cent repealed.
All laws allowing railroads to charge other rates than those fixed by Commissioners repealed.
Conflicting laws repealed.

SEC. 19. The Commissioners, whenever in their judgment any corporation has violated or neglected in any respect to comply with the terms of the act by which it was created, or with the provisions of any law of the State not provided for in this act,

Commissioners to notify companies violating, etc., terms of this act, to present facts to Attorney-General.

shall give notice thereof in writing to such corporations, and if the violation or neglect is continued after such notice, shall forthwith present the facts to the Attorney-General, who shall take such proceedings thereon as he may deem expedient.

Commissioners to notify companies in writing of necessary repairs, change of station, etc.

SEC. 20. The Commissioners, whenever they deem that repairs are necessary upon any railroad, or an addition to or change of its station or station-houses is reasonable and expedient in order to promote the security, convenience and accommodation of the public, shall in writing inform the corporation of the improvement and changes which it considers to be proper, and upon the failure or refusal of said corporation to comply with said requirement the said corporation shall be liable to the penalty of not less than fifty dollars nor more than two thousand dollars, in the discretion of said Commissioners.

Penalty for failure to comply.

Railroad not to abandon station, etc., established for a year, etc., without consent of majority of Commissioners.

SEC. 21. A railroad corporation which has established and maintained for a year a passenger station or freight depot at a point upon its road shall not abandon such station or depot nor substantially diminish the accommodation furnished by the stopping of trains, except by consent of a majority of the Commissioners.

Railroad may relocate station, etc., with written approval of Commissioners.

SEC. 22. A railroad corporation may relocate passenger or freight depots with the approval, in writing, of the Commissioners.

Commissioners may require separate and equal accommodations for white and colored

SEC. 23. That said Commissioners shall have power, whenever they deem it expedient and practicable, to require any railroad corporation operating a railroad or part of a railroad in this State to provide separate and equal accommodations for the white and colored races on the passenger trains, and also at the passenger stations or waiting-rooms in this State, and for failure to comply with the orders of said Commissioners made under this section the penalty prescribed in section twenty of this act shall be imposed.

Penalty for failure

SEC. 24. All common carriers subject to the provisions of this act shall, according to their powers, afford all reasonable, proper and equal facilities for the interchange of traffic between their respective lines and for the forwarding and delivering of passengers and freights to and from their several lines and those connecting therewith, and shall not discriminate in their rates and charges against such connecting lines, and connecting lines shall be required to make as close connection as practicable for the convenience of the traveling public. And said common carriers shall obey all rules and regulations made by said Commissioners relating to trackage. Any violation of the provisions of this section shall be punished at the discretion of said Commissioners by a fine of not less than five hundred dollars or exceeding five thousand dollars for each and every offence.

Common carriers to afford facilities for interchange of traffic, etc.

Connecting lines to make close connection.

To obey rules relating to trackage.

Penalty for violation of this section.

SEC. 25. That nothing in this act shall prevent the carriage, storage or handling of property free or at reduced rates for the United States, State or municipal governments, or for charitable purposes, or to or from fairs or exhibitions for exhibition thereat, or the free carriage of destitute and homeless persons transported by charitable societies and the necessary agents employed in such transportation, or the free transportation of persons traveling in the interest of orphan asylums or any department thereof, or the issuance of mileage, excursion or commutation passenger tickets; nothing in this act shall be construed to prohibit any common carrier from giving reduced rates to ministers of religion, or to municipal governments for the transportation of indigent persons, or to inmates of National homes or State homes for disabled volunteer soldiers and of soldiers and sailors' orphan homes, including those about to enter and those returning home after discharge, under arrangements with the boards of managers of said homes; nothing in this act shall be construed to prevent rail-

Carriage, etc., of property free or at reduced rates for United States, State, etc., not prohibited.

Mileage tickets, etc.
Reduced rates to certain persons.

Free carriage to own officers, etc.

Interchange of passes.

Remedies at common law or by statute not abridged.

Commissioners empowered to suspend this section, etc.

Commissioners to make rates for transportation of packages by express companies.

To make rates for transmission of messages by telegraph lines

Penalty for charging higher rates.

Action to recover penalty.

Provisions of section 7 applicable to express and telegraph companies.

roads from giving free carriage to their own officers and employees, or to prevent the principal officers of any railroad company or companies from exchanging passes or tickets with other railroad companies for their officers or employees; and nothing in this act contained shall in any way abridge or alter the remedies now existing at common-law or by statute, but the provisions of this act are in addition to such remedies: *Provided*, that the Commissioners shall have power to suspend any or all the provisions of this section after thirty days' notice to any company.

SEC. 26. That said Commissioners are hereby authorized and required to make or cause to be made just and reasonable rates of charges for the transportation of packages by any express company or companies doing business in the State; also make or cause to be made just and reasonable rates of charges for the transmission of messages by any telegraph or telephone line or lines doing business in the State, and also authorized to require said telegraph companies to locate agencies at railroad stations, and extend their lines and establish agencies not exceeding one mile from any railroad station, and shall make or cause to be made just and reasonable rules and regulations for the receiving, forwarding and delivery of telegraphic messages, and any such express or telegraph companies charging a higher rate than that fixed or approved by said Commissioners, or guilty of a violation of the rules and regulations provided and prescribed by said Commissioners, shall incur a penalty for each offence of not less than fifty dollars nor more than five hundred dollars for each offence, and actions for the recovery of such penalties may be brought as provided for in section seven of this act, with reference to penalties incurred by railroad companies; that the provisions of section seven of this act in relation to the publication of schedules, the regulations governing the right of appeal, the regu-

lations as to evidence with reference to railroad companies, shall apply to express and telegraph companies.

SEC. 27. That all subpoenas for witnesses to appear before said Commissioners or before any one or more of said Commissioners, and notice to persons or corporations shall be issued by one of said Commissioners and be directed to any sheriff, constable or marshal of any city or town who shall execute the same in his bailiwick and make due return thereof as directed therein under the penalties prescribed by law for a failure to execute and return the process of any court; and if any person duly summoned to appear and testify before said Commissioners shall fail or refuse to testify without a lawful excuse, or shall refuse to answer any proper question propounded to him by said Commissioners in the discharge of duty, or shall conduct himself in a rude, disrespectful or disorderly manner before said Commissioners, or any of them, deliberating in the discharge of duty, such person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than fifty nor more than one thousand dollars.

Subpoenas and notices, how issued and served.

Misdemeanor to fail to appear when summoned, etc., etc.

Penalty.

SEC. 28. That all the expenses of the Commissioners except as hereinbefore provided, including all necessary expenses for transportation incurred by the Commissioners or by their employees under their orders in making any investigation, or upon official business, or for any other purposes necessary for carrying out the provisions of this act shall be allowed, and the Auditor shall issue his warrant upon presentation of itemized vouchers therefor approved by the chairman of the Commission: *Provided*, that the expenses allowed under this section shall not exceed two thousand dollars annually: *And provided further*, whenever by reason of extraordinary efficiency or fitness that may be required to discharge the duties of the office of the clerk properly, efficiently and satisfactorily to the Commissioners, and the amount provided

Expenses of Commissioners, how paid.

Not to exceed \$2,000 annually.

for in section two of this act should be inadequate to obtain this service, and not otherwise, the Commissioners may allow and pay to the clerk of said Commission out of the remainder of said fund an extra allowance not exceeding twenty-five per centum above his regular salary in such manner as in their judgment they may deem expedient.

Fiscal year.

SEC. 29. That the fiscal year to which all reports shall be made which may be required of any railroad or transportation company by the Commissioners under this act shall be the thirtieth of June, as now fixed by law by the Interstate Commission of the United States: *Provided*, that from all decisions or determinations arising under the operation or enforcement of this act the party or corporation affected thereby shall be entitled to appeal therefrom as provided in section seven of this act, and when no exception is made to the facts as found by the Railroad Commission, then the appeal shall be taken direct to the Supreme Court.

Right of appeal.

When to be taken to Supreme Court.

Commissioners authorized to investigate causes of railroad accidents.

SEC. 30. The Commissioners may investigate the causes of any accident on a railroad resulting in the loss of life, and of any accident, not so resulting, which they may deem to require investigation.

Arbitration of controversies by Commissioners.

SEC. 31. Whenever any company or corporation embraced in this act has a controversy or controversies with another such company or corporation, or person or persons, and all the parties to such controversy agree in writing to submit such controversy to the Railroad Commissioners aforesaid as arbitrators, said Commissioners shall act as such, and after due notice to all parties interested shall proceed to hear the same, and their award shall be final. Said award, in cases where land or an interest in land is concerned, shall immediately be certified to the Clerk of the Superior Court of the county in which said land is situated and shall by such Clerk be docketed in the judgment docket for said county, and from such docketing shall be a judgment of the Superior Court of such

Award to be final.

To be docketed and have force of judgment.

county. Before such arbitrators parties may appear in person or by attorney.

Parties to arbitration may appear by attorney.

SEC. 32. That all laws and clauses of [laws] inconsistent with the provisions of this act are hereby repealed.

Inconsistent laws repealed.

SEC. 33. That this act shall go into effect on and after the first day of April, eighteen hundred and ninety-one.

When act to take effect.

Ratified the 5th day of March, A. D. 1891.

Assessment Act—Chapter 169, Laws 1897.

SECTION 42. The Commissioners elected from time to time under the authority of "An act to provide for the general supervision of railroads, steamboat and canal companies, express and telegraph companies doing business in the State of North Carolina," shall constitute a board of appraisers and assessors for railroad, telegraph, canal and steamboat companies.

Railroad Commissioners to constitute Board of Appraisers for railroad, telegraph, etc., companies.

SEC. 43. The president, secretary, superintendent or other principal accounting officer within this State of every telegraph and railroad company, whether incorporated by any law of this State or not, shall return to said Commissioners for assessment and taxation, verified by the oath or affirmation of the officer making the return, all the following-described property belonging to such corporation on the first day of June of each year within this State, viz., the number of miles of such telegraph and railroad lines in each county in this State and the total number of miles in the State, including the road-bed, right-of-way and superstructures thereon, main and side tracks, depot buildings and depot grounds, section and tool houses, rolling-stock and personal property necessary for the construction, repairs or successful operation of such telegraph and railroad lines, including also all Pullman or sleeping-cars owned by them or oper-

President or other officer to make returns to Board.

What property to be listed.

What property to be listed with county list-takers.

ated over their lines: *Provided, however,* that all machine and repair shops, general office buildings, store-houses, and also all real and personal property outside of said right-of-way and depot grounds as aforesaid, of and belonging to any such railroad and telegraph companies, shall be listed for purposes of taxation by the principal officers or agents of such companies with the list-takers of the county where said real or personal property may be situated, in the manner provided by law for the listing and valuation of real and personal property. It shall be the duty of the list-takers, if required so to do by the said Commissioners,

List-takers to send statement to Board if required.

to certify and send to the Commissioners on or before the third Monday in June in each year a statement giving the description of the property mentioned in the foregoing proviso, and showing the assessed valuation thereof. The list-taker shall also, on or before the same day, send to the Auditor of State a like certificate of the assessed valuation and character of said property. The list-takers and assessors shall also certify to the Commissioners the local rate of taxation for county purposes as soon as the same shall be determined, and such other information obtained in the course of the performance of the duties of their office as the said Commissioners shall require of them, and the mayor of each city or town shall cause to be sent to the said Commissioners the local rate of taxation for municipal purposes.

To send statement to Auditor.

To send local rate of taxation to Board.

Mayors to send rate of municipal taxation.

Rolling-stock, when and how listed.

SEC. 44. The movable property belonging to a railroad company shall be denominated for the purpose of taxation, "rolling-stock." Every person, company or corporation owning, constructing or operating a railroad in this State shall, in the month of June annually, return a list or schedule to the Commissioners, which shall contain a correct detailed inventory of all the rolling-stock belonging to such company, and which shall distinctly set forth the number of locomotives of all classes, passenger cars

of all classes, sleeping and dining cars, horse cars, cattle cars, coal cars, platform cars, wrecking cars, pay cars, hand cars and all other kinds of cars, and the value thereof. And a statement or schedule as follows: Schedule.

(1.) The amount of capital stock authorized and the number of shares into which such capital is divided.

(2.) The amount of capital stock paid up.

(3.) The market value, or if no market value, then the actual value of the shares of stock.

(4.) The length of line operated in each county and the total in the State.

(5.) The total assessed valuation of all its tangible property in this State.

(6.) And all the information heretofore required to be annually reported by section nineteen hundred and fifty-nine of The Code. Such schedules shall be made in conformity to such instructions and forms as may be prescribed by the Commissioners and with reference to amounts and values on the first day of June of the year for which the return is made.

Board to prescribe instructions and forms.

SEC. 45. The said Commissioners shall first determine the value of each railroad, rolling-stock, and all other property, ascertaining such value from the earnings as compared with the operating expenses, and taking into consideration the value of the franchise as well as other conditions proper to be considered in arriving at the true value of the property, as in the case of private property, and the aggregate value thus determined shall be apportioned in the same proportion that the length of such road in each county bears to the entire length thereof; and the Commissioners shall certify to the chairman of County Commissioners and the mayor of each city or incorporated town the amount apportioned to his county, city or town, and the Commissioner shall make and forward a like certificate, together with all the reports of the

Method of valuation by Board.

Duty of Board.

Taxes due State,
how paid.

When Treasurer to
institute action.

What taxes to be
assessed by county
commissioners.

Railroad partly in
this State and
partly in another,
how assessed.

Railroad claiming
exemption from
taxation to make
return.

What return to
show.

Board to investi-
gate, etc.

various railroad officers or copies thereof, and other papers and evidence which formed the basis of the valuation, to the Auditor of the State. All taxes due the State from any railroad company, except the tax imposed for school purposes, shall be paid by the treasurer of each company directly to the State Treasurer within thirty days after the first day of July of each year, and upon failure to pay the State Treasurer as aforesaid he shall institute an action to enforce the same in the county of Wake or any county in which such railroad is located. The Board of County Commissioners of each county through which said railroad passes shall assess against the same only the tax imposed by the State for school purposes and those imposed for county purposes.

SEC. 46. When any railroad has part of its road in this State and part thereof in any other State, the Commissioners shall ascertain the value of railroad track, rolling-stock and shares of capital stock of such company, and divide it in the proportion the length of such road in this State bears to the whole length of such road, and determine the value of such railroad track, rolling-stock and shares of capital stock in this State accordingly.

SEC. 47. Any railroad company claiming exemption from taxation under this act by reason of any contract with the State shall, together with and in addition to the return required by the last section, make a further return specifying the act or acts of the General Assembly by which such contract is claimed to have been created, and also specifying what portion of the property of said railroad company is claimed to be exempt from taxation under this act, and the particulars as to character, location and value of property, if any, admitted to be liable under this act. Such returns shall be in no manner conclusive as to any of the facts therein stated, but said Commissioners shall investigate and determine whether

any, and if any, what portion of the property of such company is beyond the power of the State to tax under this act. The residue of said property, after deduction of that which is exempt, shall be taxed pursuant to the provisions of this act. After the first Monday in July the Commissioners shall give a hearing to all companies interested touching the valuation and assessment of their property. The Commissioners may, if they see fit, require all arguments and communications to be presented in writing.

Taxation of residue.

Board to give hearing, etc.

SEC. 48. If the property of any railroad company be leased or operated by any other corporation, foreign or domestic, the property of the lessor or company whose property is operated shall be subject to taxation in the manner hereinbefore directed, and if the lessee or operating company, being a foreign corporation, be the owner or possessor of any property in this State other than that which it derives from the lessor or company whose property is operated, it shall be assessed in respect of such property in like manner as any domestic railroad company.

Leased roads, how assessed.

SEC. 49. The Commissioners shall have power to summon and examine witnesses and require that books and papers shall be presented to them for the purpose of obtaining such information as may be necessary to aid in determining the valuation of any railroad property. Any president, secretary, receiver or accounting officer, servant or agent of any railroad or steamboat company having any portion of its property or roadway in this State who shall refuse to attend before the Commissioners when required to do so, or refuse to submit to the inspection of said Commissioners any books or papers of such railroad company in his possession, custody or control, or shall refuse to answer such questions as may be put to him by said Commissioners, or order touching the business, property, moneys and credits and the value thereof of said railroad company, shall be guilty of a

Board empowered to summon witnesses, etc.

Refusal of officer to attend, etc., a misdemeanor.

Penalty.

Proceeding for contempt.

Stock in canal company, how assessed.

On failure of officer to return property, Board to assess.

misdemeanor, and on conviction thereof before any court of competent jurisdiction shall be confined in the jail of the county not exceeding thirty days and be fined in any sum not exceeding five hundred dollars and costs; and any president, secretary, receiver, accounting officer, servant or agent aforesaid so refusing as aforesaid shall be deemed guilty of contempt of such Commissioners and may be confined by order of said Commissioners in the jail of the proper county until he shall comply with such order and pay the cost of his imprisonment.

SEC. 50. The value of the shares of capital stock of any canal company, the property of all canal and steamboat companies in this State shall be assessed for taxation as above provided for railroads. In case any officer fails to return the property as provided in this section, the Commissioners shall ascertain the length of such property in this State and shall assess the same in proportion to length at the highest rate at which property of that kind is assessed by them.

An Act to make the Railroad Commission a Court of Record.

The General Assembly of North Carolina do enact :

SECTION 1. That the Railroad Commissioners elected at this General Assembly, and successors in office, be and they are hereby created and constituted a Court of Record inferior to the Supreme Court, and shall be known as the Board of Railroad Commissioners, and as such shall have all the powers and jurisdiction of a Court of general jurisdiction as to all subjects embraced in the act creating such Railroad Commission heretofore passed, and shall have a common seal.

SEC. 2. This act shall be in force from and after the first day of April, 1891.

An Act to Amend Chapter Forty-nine of The Code.

The General Assembly of North Carolina do enact :

SECTION 1. That the Board of Railroad Commissioners of North Carolina are hereby empowered, whenever it shall appear wise and proper so to do, to authorize, allow and permit any railroad company operating in this State to run one or more fast mail trains over its road which shall only stop at such stations on the line of the road as may be designated by the company: *Provided*, that in addition to such fast mail train said railroad shall run at least one passenger train in each direction over its road on every day except Sunday, which shall stop at every station on the road at which passengers may wish to be taken up or put off: *Provided*, nothing in this act shall be construed to authorize any company, persons or corporations to run any trains over the Petersburg Railroad between Weldon and the State line after the expiration of the extension of the charter granted to that company by this State in one thousand eight hundred and ninety-one, unless and until the charter of said Petersburg Railroad shall be renewed by this General Assembly: *Provided further*, that nothing in this act shall be construed as preventing the running of local passenger trains on Sunday.

Railroad Commissioners authorized to allow railroad companies to run fast mail trains.

Proviso.

Proviso.

Proviso.

SEC. 2. That this act shall be in force from and after its ratification.

Ratified the 9th day of February, A. D. 1893.

An Act in Regard to the Delivery of Freight.

The General Assembly of North Carolina do enact :

SECTION 1. That whenever any goods, articles of freight of any kind shall be received by any common carrier in this State to be delivered to any consignee in this State, and a portion of the same shall not have been received at the place of destination, it shall not

On partial delivery of freight to consignee by common carrier, not lawful to demand freight charges on undelivered portion, etc.

be lawful for the carrier to demand any part of the charges for freight or transportation due for such portion of the shipment as shall not have reached the place of destination. The carrier shall be required to deliver to the consignee such portion of the consignment as shall have been received upon the payment or tender of the freight charges due upon such portion. But nothing in this act shall be construed as interfering with or depriving a consignor, or other person having authority, to his rights of stoppage *in transitu*.

Stoppage
in transitu.

Railroad Commissioners to enforce act.

SEC. 2. The Railroad Commissioners shall enforce the enforcement of the provisions of this act by appropriate regulations, and this act shall be in force from and after its ratification.

Ratified the 6th day of March, A. D. 1893.

An Act to Amend Section One Thousand Nine Hundred and Fifty-nine of The Code, Requiring Railroad Companies to Render Annual Reports to the Governor of the Operations for the Year.

The General Assembly of North Carolina do enact :

Code, section 1959,
amended.

SECTION 1. That section one thousand nine hundred and fifty-nine of The Code be and the same is hereby amended by adding the following at the end of said section: "*Provided*, that if the report herein mentioned shall be made to the Board of Railroad Commissioners instead of to the Governor, it shall be deemed a sufficient compliance with the requirements of this section."

Annual reports of
railroad companies
may be made to
Railroad Commis-
sioners

SEC. 2. That this act shall be in force from and after its ratification.

Ratified the 14th day of February, A. D. 1893.

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RULES OF PRACTICE
IN
CASES AND PROCEEDINGS
[AS AMENDED.]
BEFORE THE COMMISSION.

PUBLIC SESSIONS.

1. The general sessions of the Commission for the hearing of contested cases will be held at its office in the Agricultural Building, Raleigh, N. C., on such days and at such hours as the Commission may designate. Sessions for receiving, considering and acting upon petitions, communications and applications relating to business before the Commission, and also for considering and acting upon any business of the Commission other than contested cases, will be held, unless otherwise directed, at its said office in Raleigh, at 11 o'clock a. m., on Wednesday of every week. When special sessions are held at other places such regulations as may be necessary will be made by the Commission.

PARTIES.

2. Where a complaint concerns anything done or omitted to be done by only a single carrier no other need be made a party, but if it relates to joint tariffs, or matters in which two or more carriers doing business under a common control, management or arrangement for a continuous carriage or shipment are interested, all the carriers constituting such line must be made parties. A complaint may embrace several carriers, or lines of carriers, operated separately, in the same proceeding, when the subject-matter of the complaint involves substantially the same alleged violation

of the law by the several carriers or lines. Persons or carriers not parties may apply, in any pending case or proceeding, for leave to intervene and to be heard upon the questions involved

GENERAL RULES.

PROCEEDINGS BEFORE THE COMMISSION.

3. All petitions and complaints made before the Commission for redress of alleged grievances, must plainly and distinctly set forth the grounds of complaint; the items being numbered and objections all set forth in writing. In like manner all defences must be distinctly set forth in writing, and the items numbered as above stated. These specifications, whether of complaint or defence, may be accompanied, if the parties desire, by an explanation or argument, or by any suggestion as to the proper remedy or policy, and may be verified by the affidavit of the party complaining or petitioning, taken before any person authorized to administer oaths in North Carolina, and when the complaint or petition is verified, then the answer thereto shall be verified, and the verification shall conform to the rules prescribed in The Code of North Carolina for the verification of pleadings. The parties may also be heard in person or by attorney, or by written argument, upon such written statement being first filed.

4. If a carrier complained against shall deem the complaint insufficient to show a breach of legal duty, it may, instead of filing an answer, serve on the complainant notice for a hearing of the case on the complaint; and in case of the service of such notice, the facts stated in the complaint will be taken as admitted. A copy of the notice must at the same time be filed with the Commission. The filing of an answer will not be deemed an admission of the sufficiency of the complaint, but a motion to dismiss for insufficiency may be made at the hearing.

SERVICE OF PAPERS.

5. Copies of notices or other papers must be served upon the opposite parties to the proceeding, personally or by mail, and when any party shall have appeared by attorney the service upon the attorney shall be deemed proper service upon the party.

AMENDMENTS.

6. Upon application by any petitioner or party, amendments may be allowed by the Commission, in its discretion, to any petition, answer, or other pleading in any proceeding before the Commission.

ADJOURNMENT AND EXTENSION OF TIME.

7. Adjournment and extension of time may be granted upon the application of parties in the discretion of the Commission.

STIPULATIONS.

8. Parties to cases and proceedings before the Commissioners may, by stipulation, duly signed by them and filed with the Secretary, agree upon the facts, or any portion of the facts, they deem to be involved in the controversy, which agreed statement shall be regarded and used as evidence. It is desirable that the facts be thus agreed upon whenever practicable.

HEARINGS.

9. Upon issue being joined by the service of answer, the Commission will assign a time and place for hearing the same, which will be at its office in Raleigh, N. C., unless otherwise ordered. Witnesses will be examined orally before the Commission, unless testimony be taken or facts agreed upon as otherwise provided in these rules. The petitioner or complainant must in all cases prove the existence of the facts alleged to constitute a violation of the act, unless the carrier complained of shall admit the same, or shall fail to answer the complaint. Facts alleged in the answer must also be proved by the carrier, unless admitted by the petitioner. In cases of failure to answer, the Commission will take such proof of the charge as may be deemed reasonable and proper, and make such order thereon as the circumstances of the case appear to require.

WITNESSES AND DEPOSITIONS.

10. Subpœnas requiring the attendance of witnesses will be issued by any member of the Commission in all cases and proceedings before it, and witnesses will be required to obey the subpœnas served upon them requiring their attendance or the production of any books, papers, tariffs, contracts, agreements or

documents relating to any matter under investigation or pending before the Commission. When a subpoena is desired for the production of books, papers or other documentary evidence, special application must be made to the Commission therefor, specifying the documentary evidence desired. When a cause is at issue on petition and answer, each party may proceed at once to take depositions of witnesses in the manner provided by section 1357 of The Code of North Carolina, and transmit them to the Secretary of the Commission without making any application to or obtaining any authority from the Commission for that purpose.

PROPOSED FINDINGS OF FACT.

11. Upon the final submission of a case to the Commission either party may submit proposed findings of fact for the consideration of the Commission, which findings must embrace only the material facts of the case supposed to be established by the testimony.

REPORTS.

12. Each railroad company doing business within the State of North Carolina shall file in the office of the Commissioners quarterly reports of its gross earnings upon a printed form (B).

POSTING TARIFFS.

13. Each railroad company doing business within the State of North Carolina shall post, and keep posted, at each of its respective stations, in a conspicuous place, a copy of the schedules of freight and passenger rates prescribed for said road by the Commission, together with a copy of the Commissioners' Classification, and a table of distances between stations, giving name of each station. And when any change in said schedule of rates or classification is made, either by the Commission or by any railroad company, a copy of said change shall be immediately furnished the office of the Commissioners, and shall also be posted in the same manner as the above.

14. The rates prescribed by the Commission shall (except in cases specified) apply in either direction.

Standard Freight and Passenger Tariffs.

STANDARD PASSENGER TARIFF.

First Class. Second Class.

Twelve years and older $3\frac{1}{4}$ c. per mile. $2\frac{3}{4}$ c. per mile.

Over 5 and under 12 years of age. . . One-half first-class fare.

Rules Governing the Transportation of Passengers.

1. Each passenger shall be entitled to baggage not exceeding one hundred and fifty pounds.

2. No more than the schedule of passenger rates shall be charged where the ticket office at any station shall not have been open for a reasonable time before the departure from a station of the train upon which the passenger intends to be transported.

3. At junction points, where the incoming trains arrive so near the leaving time of the out-going train that it is not practicable for a passenger to procure a ticket, no more than the schedule of passenger rates shall be charged.

4. Railroad companies are authorized to collect the exact mileage for passenger fares if they shall make the necessary change to enable them to do so; but, if not, no more than the nearest amount ending in 5 or 0 shall be charged.

5. No railroad company shall be allowed to charge more than ten cents for full or half-rate between regular stations when the fare would be less than that amount: *Provided*, where the distance is not greater than two miles or under, the maximum charge for first-class tickets shall be ten cents, and five cents for second-class tickets.

6. No more than the standard passenger tariff shall be charged passengers from flag stations or other stations where tickets are not kept on sale.

7. When, in consequence of the uncertain time of arrival or departure of a delayed train, it is impracticable for tickets to be purchased, no more than the regular standard passenger tariff shall be charged.

8. Where a railroad company has provided agents and offices, ready and open for the sale of tickets, and the passengers, for

want of proper diligence, fail to supply themselves therewith, before getting on the train, then ten cents additional for each passenger twelve years old and over may be demanded and collected for all distances not greater than ten miles, and twenty cents in like manner for all distances not less than ten nor greater than twenty miles, and thirty cents in like manner for all distances over twenty miles. Half these rates for each passenger over five years old and under twelve years may in like manner be demanded and collected: *Provided, however*, offices at way stations may be closed one minute before the arrival of trains.

9. The Commission will consider applications for an advance or reduction in the standard tariff for the transportation of passengers, but no change of rates shall be of effect or put in force until ratified by the Commission: *Provided*, that this rule shall not be construed as placing any restriction on the privilege of railroad companies to make special rates on excursion trains, or to issue what are called "commutation or mileage tickets": *Provided*, no unjust discrimination is practiced.

10. Tickets on sale at any office in a city must be kept on sale at the depot ticket-office of the same railroad at the same prices.

11. That all connecting railroads which are under the management and control by lease, ownership or otherwise, of one and the same company, or at connection with a different company, shall be required to make close connection whenever practicable.

12. The fare in sleeping cars shall not exceed \$1 for 100 miles or less. From 100 to 150 miles, \$1.50; between 150 and 200 miles, \$2. When a lower berth with the upper berth not lowered is desired, this is subject to special contract.

13. Railroad companies in computing passenger rates between stations where fractions of a mile are to be considered, will calculate for the nearest even number of miles. Example: For a distance of 10.49 miles or under, charge for ten miles; for 10.50 miles or over, charge for eleven miles, and so on.

14. It shall be the duty of each railroad company to bulletin at every telegraph station along its line, and other stations if possible, ten minutes in advance of the schedule time of arrival of its trains, whether such train is on time, and if behind its schedule time to state, as near as can be approximated, the time of its

arrival. The bulletin board shall be placed in a conspicuous place at the ticket office, and all notices thereon of arrival and departure of trains shall be erased immediately after the departure of trains.

15. On all mixed trains, carrying passengers, where two coaches are attached, first- and second-class tickets must be sold.

Where only one coach is attached, only second-class rates shall be charged, unless the coach has separate apartments, then first- and second-class rates may be charged.

16. That all common carriers subject to the supervision of the Railroad Commission shall provide such means or appliances as may be necessary to secure the careful handling of and to prevent injury to any parcel of baggage to which a check may be affixed, as provided in section 1970 of The Code.

That at all minor stations, where no proper appliances are supplied, and no regular depot hand is employed, the train hands shall be required to assist the baggage-master, and lift with care all baggage from the car doors.

17. All Railroad Companies, in addition to the usual bell cord, shall place a safety cord in each coach of the regular passenger trains, running through the entire length of the same.

18. It shall be the duty of the Pullman Car Company, at all stations, on the stopping of trains, to have the doors of their cars open for the reception of passengers and require the porter to have a step ready for the convenience of passengers desiring to enter.

19. Whereas, section 4, chapter 320, of the Acts of the General Assembly of North Carolina, at its session of 1891, known as the Railroad Commission Act, makes it unlawful for "any common carrier" within the State, "either directly or indirectly, by any special rate, rebate, drawback or other *device*, to charge, demand, collect or receive from any person or persons, a greater or less compensation for any service rendered, or to be rendered, in the *transportation of passengers* than it charges, demands collects or receives from any other person or persons;" and—

Whereas, section 25 of said Act enumerates the *exceptions* above permitted, and—

Whereas, Absolute equality is the demand of the law;

Resolved, That said act condemns and prohibits free-pass or free-mileage transportation to all editors, staff correspondents and employees of the newspapers of the State. That said act applies with equal force to free-pass or free-mileage transportation to attorneys within the State not actually employed by the common carrier for a certain and definite sum and not the actual and *bona fide* employees of the carrier.

Rules Governing the Transportation of Freight.

1. All connecting railroads, which are under the management and control, by lease, ownership or otherwise, of one and the same company, shall, for purposes of transportation, in applying this tariff, be considered as constituting but one and the same road, and the rates shall be computed as upon parts of one and the same road, unless otherwise specified.

DISTANCES.

2. Since a separate rate cannot be conveniently given for every possible distance, the law authorizes the Commission "to ascertain what shall be the limits of longer and shorter distances." Five (5) miles has, accordingly, been fixed as the limit for a change of freight rates for all distances less than one hundred miles; and ten (10) miles for all distances over one hundred miles. The Commissioners reserve the right, however, to correct the charge in extreme cases which work hardship, although the same may not violate the letter of our rules.

3. For all distances over five (5) miles and under one hundred (100) miles, the following rule will apply: When the mileage does not end in 0 or 5 the nearest mileage so ending shall govern the rate. Illustration: For a distance of twenty-seven miles charge for twenty-five miles, for a distance of twenty-eight miles charge for thirty miles.

4. When freight is transported any distance greater than one hundred miles, if the mileage does not end in 0, then next ten (10) miles group above shall govern the rate. Illustrations: For one hundred and twenty-one miles charge for one hundred and thirty.

5. For distances under twenty miles or over two hundred and

fifty miles, a reduction of rates may be made without making a change at all stations short of two hundred and fifty miles: *Provided, however*, that when any railroad shall make a reduction of rates for distances over two hundred and fifty miles, the same shall apply to similar distances on all the roads controlled by the same company, and in no case shall more be charged for a less than a greater distance.

REGULATIONS CONCERNING FREIGHT RATES.

6. The freight rates prescribed by the Commission are maximum rates, which shall not be transcended by the railroads. They may carry, however, at less than the prescribed rates: *Provided*, that if they carry for less for one person, they shall for the like service carry for the same lessened rate for all persons except as mentioned hereafter; and if they adopt less freight rates from one station, they shall make a reduction of the same per cent at all stations along the line of the road so as to make no unjust discrimination as against any person or locality. But when there are between any two points in this State two or more competing roads not under the same management or in the same system, then the longer line or lines, in order to give said points the benefit of competition, may reduce the rates between said two points below the standard tariff, without making a corresponding reduction at all stations along the lines of said roads: *Provided*, said reduction shall not make the rates less than the standard tariff rates for the shortest line between said points: *Provided further*, that before taking effect, the proposed change of rates shall be submitted to and approved by the Commission.

7. The rates charged for freight service by regular passenger trains may be one and a-half times that for first-class freight by ordinary freight trains.

8. No railroad company shall, by reason of any contract with any express, or other company, decline or refuse to act as a common carrier, to transport any article proper for transportation by the train for which it is offered.

9. Railroad companies may collect twenty-five (25) cents as a minimum charge on a single shipment, however small.

10. No railroad company doing business in this State shall permit a blockade of any class of freights on account of any arrange-

ment existing between it and other railroad companies as to the transportation of freight according to percentage or otherwise.

11. There shall be no secret reduction of rates, nor shall any bonus be given, or any rebate paid to any person, but the rates shall be uniform to all, and public.

12. The rates specified for Ores, Sand, Clay, Rough Stone, Common Brick, Bone, Lumber, Shingles, Laths, Staves, Empty Barrels, Wood, Straw, Shucks, Hay, Fodder, Corn in ear, Tan-bark, Turpentine, Rosin, Tar, Household Goods, are maximum rates, but the roads are left free to reduce them at discretion, and all such rates are exempt from the operation of Rule 6. All complaints as to such rates will, on presentation, be duly considered.

13. When railroad companies are required to load or unload car-load shipments of classes L, M, N, O and P, or to load car-load shipments of naval stores, the actual cost of such service shall be paid by shippers.

14. EXTRA HANDLING.—The charge for handling extra heavy articles, may be as follows, viz:

Under 2,000 pounds, no charge for extra handling.

For 2,000 lbs. and under 3,000 lbs., \$3 for extra handling.

For 3,000 lbs. and under 4,000 lbs., 5 for extra handling.

For 4,000 lbs. and under 5,000 lbs., 7 for extra handling.

For 5,000 lbs. and under 6,000 lbs., 8 for extra handling.

For 6,000 lbs. and under 7,000 lbs., 10 for extra handling.

For 7,000 and over in proportion.

15. FERTILIZERS.—This term embraces the following and like articles, when intended to be used as fertilizers: Ammonia Sulphate, Bone Black, Bones ground or dissolved, Castor Pomace, or Fish Scrap Guanos, Alto Vella, Fish, Navassa, Navassa Lump, Peruvian Soluble Pacific, Nitrate Cake, Plaster of Paris, Potash—German Salts of, Muriate of, Sulphate of—Salt Cake, Lump and Ground Phosphate, Soda—Nitrate of and Sulphate of—Tank Stuff, etc.


16. Vehicles designed for transportation at carrier's risk must be properly protected by the shipper with sufficient covering or packing from all liabilities to injure from fire, weather, chafing, or other injury.

17. In no case shall the amount collected on L. C. L. shipments exceed the charge per car-load for the same class of goods.

18. Railroad companies are not required to receive cotton or other merchandise and warehouse the same unless the articles offered are in good shipping condition, well prepared by the shipper with proper packing and intelligent, plain marking, and accompanied with orders for immediate shipping.

19. CAR-LOAD RATES apply to a shipment of a car-load or more made by one shipper, at one time, to one and the same point of delivery, to the same consignee.

Estimated Weights.


20.  Lumber, Coal, Lime, Brick, Stone, and all articles for which estimated weights are given in Classification (except Live Stock, Ale and Beer, and empty Ale and Beer packages, L. C. L.), will be taken at actual weight when the weight can be ascertained, but when the weight can not be ascertained, will be charged at the following estimated weights. This is not to interfere, however, with the duty of Receiving Agent to weigh, if possible, and correct to actual weight:

TO BE USED WHEN ACTUAL WEIGHTS CAN NOT BE ASCERTAINED.

	Per 1,000 ft.		Per Car.
White Pine and Poplar, thoroughly seasoned.....	3,000 lbs.	Shingles, green.....per 1,000	350 lbs.
White Pine and Poplar, green.....	4,000 lbs.	Shingles, dry.....per 1,000	300 lbs.
Yellow Pine, Black Walnut.....		Laths, green.....per 1,000	530 lbs.
Ash, seasoned.....	4,000 lbs.	Laths, dry.....per 1,000	450 lbs.
Yellow Pine, Black Walnut, Ash, green.....	4,500 lbs.	Tan Bark, green.....per cord	2,600 lbs.
Oak, Hickory, Elm, seasoned.....	4,500 lbs.	Tan Bark, dry.....per cord	2,000 lbs.
Oak, Hickory, Elm, green.....	6,000 lbs.	Fence Posts and Rails	
All other kinds Lumber, seasoned.....	4,000 lbs.	and Telegraph Poles, per cord	3,500 lbs.
All other kinds Lumber, green.....	6,000 lbs.	Clay.....per cubic yard	3,000 lbs.
Hoop-poles, Staves and Heading, dry, car loaded to depth of 50 inches.....	24,000 lbs.	Sand.....per cubic yard	3,000 lbs.
Hoop-poles, Staves and Heading, green, car loaded to depth of 43 inches.....	24,000 lbs.	Gravel.....per cubic yard	3,200 lbs.
		Stone, undressed.....per cubic ft.	160 lbs.
		Lime.....per bushel	80 lbs.
		Coal.....per bushel	80 lbs.
		Coke.....per bushel	40 lbs.
		Portland Cement.....per barrel	400 lbs.
		Other Cements.....per barrel	300 lbs.

21. In cases in which the classification of any article is lowered by a percentage, railroad companies which are allowed an increase on the standard tariff shall apply the increase allowed to the re-

duced classification; but in cases in which the classification of any article is raised by percentage, railroad companies which are allowed an increase on the standard tariff shall not apply said increase to the already increased classification, but only to the standard tariff.

22.  When any article is too bulky to put in a box car, it shall be subject to special contract.

23. A ton of all articles is 2,000 pounds. A car-load is 20,000 pounds, unless otherwise specified. For loads above 20,000 pounds, *pro rate* at car-load rates charged. A car-load of green wood is eight cords. A car-load of dry wood is nine cords. A car-load of lumber (and all articles embraced in lumber) is 24,000 pounds. A car-load of any article enumerated in Class P, except wood and lumber and articles included in lumber, is 25,000 pounds—shippers to load and unload: *Provided*, that when a car is loaded over its marked capacity by the shipper, the railroad companies are left free to charge for the excess a rate that will effectually stop a practice fraught with so much danger to life and property.

24. The regulations of the railroads as to demurrage or detention of cars are matters of police, with which the Commission will only interfere upon complaint of abuse.

25. All roads under the same or different management shall make just and reasonable rates for switching and exchange of business at connecting points. Rates now in force are continued. Any proposed change must first be submitted to the Commission. Any charge now in force and shown to work a hardship will be corrected.

26. All depots situated in incorporated towns and cities in this State must be kept open each day (Sundays excepted) for the receiving and delivery of freight as follows: From April 1 to September 30, between the hours of 7 a. m. and 6 p. m. From October 1st to March 31st, 7.30 a. m. and 5 o'clock p. m., with an intermission in each case of one hour, from 12 o'clock noon to 1 o'clock p. m.

27. Railroad companies whose lines do not exceed ten miles in length may charge from any point on their road the rates prescribed for ten miles.

28. On all shipments of freights not governed by Rule 1, originating and terminating in this State, which shall pass over the

whole or portions of two or more roads, not under the same control, the maximum rates charged on such shipments shall not be greater than the sum of the local rates on such freights, less ten (10) per cent, for the distance hauled over each road. The total rate thus ascertained on such freights, from the point of shipment to the point of destination, shall be divided in such proportions between the roads over which such freights pass, so as to give to each road interested in the shipment its local rate, less ten (10) per cent, for the distance such shipment is hauled. Nothing in this rule shall be construed to prevent the total of any joint rate made under this rule from being divided in such proportions between the roads interested in the same as they may agree upon, but a failure to so agree between the roads interested shall in no way affect the total joint rate to be charged and collected on, or work delay in the transportation of such freights, or be a subject of appeal to the Commission by the roads at interest.

29. When railroad rates are affected by water competition, the railroads may reduce their rates between points so affected without being required to reduce intermediate rates: *Provided, however*, that if complaint is made that such competition rates unjustly discriminate against other places or persons, the Commissioners will investigate and rule in each case.

30. Whenever any goods, or articles of freight of any kind, shall be received by any common carrier in this State, to be delivered to any consignee in this State, and a portion of same shall not have been received at the place of destination, the carrier shall not demand any part of the charges for freight or transportation due for such portion of the shipment as shall not have reached the place of destination. And in case of loss, damage or overcharge of such freight, if the consignee present his bill of lading and the original invoice to the agent of the company at place of destination of such goods, within thirty days after notice of the loss, damage or overcharge, and said company fails or neglects to deliver to the consignee the goods lost or damaged, in good order, or refund any overcharge for thirty days after such notice, then such company shall be liable for the value of such goods lost or damaged or overcharged. The carrier shall be required to deliver to the consignee such portion of the consignment as shall have

been received, upon the payment or tender of freight charges due upon such portion, as provided by chapter 495, Laws 1893.

31. No common carrier shall, for any cause, subject any article of freight to unreasonable delay in receiving, delivering or forwarding the same to its destination.

32. When a shipment is offered at a point where there are two routes over connecting lines to destination, it shall be the duty of the railroad company making shipment to forward same by the shortest route, unless the rate charged over the longer route does not exceed that of the shorter; or unless otherwise ordered by the shipper.

33. A charge of no more than two dollars per car will be allowed for switching or transferring a car from any point on any road to any connecting road or warehouse within a space of one mile from starting point, over one and not more than two miles, three dollars; over two miles and not over three miles, four dollars, without regard to weight or contents.

When in the transfer of a car between said points it is necessary to pass over the line of any intermediate road or roads, the maximum charge of two, three or four dollars, as the case may be, shall be equitably divided between the roads at interest.

When a charge is made for the transfer of loaded cars between said points, no additional charge shall be made for the delivery or return of the empty cars.

The regulations in regard to freight rates, as well as the per cent above Standard Tariff, must not be enforced to their full limit in any case, or on any class, if it would thereby cause a rate in excess of that existing May 20, 1891.

All specials less than our standard rates heretofore granted by carriers within the jurisdiction of the Commission, and which do not conflict with the law preventing unjust discrimination, until further orders, will be enforced.

Explanatory Note.

In the "Commissioners' Standard Freight Tariff," under the class opposite to the distance, if it ends in 0 (and if not then opposite the next greater distance), will be found the rate required.

Example: To find the rate for 247 miles on a box of clothing, weighing 100 pounds, opposite the word clothing, in the classification, is seen its class, 1; in the freight tariff under Class 1, opposite the next greater distance, 260 miles, is seen the rate 65 cents; in the column "Miles," 5 signifies five miles or under; 20, twenty miles or over 15, and so on.

Explanation of Characters.

1 stands for First Class.
 2 stands for Second Class.
 3 stands for Third Class.
 4 stands for Fourth Class.
 5 stands for Fifth Class.
 6 stands for Sixth Class.
 $1\frac{1}{2}$ stands for $1\frac{1}{2}$ times First Class.
 D1 stands for Double First Class.
 3T1 stands for Three Times First Class.

4T1 stands for Four Times First Class.
 A, B, C, D, E, F, H, and K, stand for
 Classes A, B, C, D, E, F, H, and K,
 respectively.
 S stands for Special.
 L.C.L. stands for Less than Car-Load.
 C.L. stands for Car-Load.
 N.O.S. stands for Not Otherwise Specified.

Articles not enumerated will be classed with similar or analogous articles.

Rules for Computing Fractions.

When any rate in any Class in the Standard Tariff is raised or lowered by a per cent, the following rules must be observed:

FIRST.—If the rate thus raised or lowered is in either of Classes C, D, F, J or K, the fraction of a half cent must be retained, as the following examples will indicate:

Ex. 1.—Standard Rate	6.5
25 per cent added	1.6

Total	8.1
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From which deduct fraction, leaving desired rate of 8 cents.

Ex. 2.—Standard Rate	9.5
20 per cent added	1.9

Total	11.4
-------------	------

Substituting 5 for the fraction, the desired rate is 11.5 cents.

Ex. 3.—Standard Rate	8
20 per cent added	1.6

Total	9.6
-------------	-----

Substituting 5 for the fraction, the desired rate is 9.5 cents.

Ex. 4.—Standard Rate	5.5
25 per cent added	1.3

Total	6.8
-------------	-----

Adding a unit instead of a fraction, the desired rate is 7 cents.

SECOND.—If the rate thus raised or lowered be in any other Class than those already mentioned, omit fraction of less than half a cent and estimate half a cent or more as one cent, thus:

Ex. 1.—Standard Rate	17
20 per cent added.....	3.4

Total	21.6
-------------	------

Deducting the fraction, the desired rate is 20 cents.

Ex. 2.—Standard Rate	18
20 per cent added.....	3.6

Total	21.6
-------------	------

Estimating the fraction as a unit, the desired rate is 22 cents.

THIRD.—In making reductions, observe the same manner of placing figures before deducting the percentage.

Narrow-gauge railroads, in fixing rates on all freights where a rate per car-load is given, will count 15,000 pounds for a car-load, and estimate their charge *pro rata* with rate allowed on standard gauge.

Rules Governing Erection and Location of Depots.

FIRST.—From and after Wednesday, the first day of April, 1891, no change of freight or passenger depots or flag stations from their present location, nor the suspension of the sale of tickets, or the receiving or forwarding of freights from stations now in use for such purposes, will be permitted without the consent of this Commission published in accordance with law.

SECOND.—Application for the location of depots and the construction of depot building must be filed in the Railroad Commission office, with all information needed for a full and proper understanding of all interests to be affected thereby.

Rules and Regulations Governing the Transportation of Live Stock.

The weights given below are *estimated* and not actual, and are used simply to get the rating on Live Stock. To illustrate: One Horse, Mule or Horned Animal is estimated at the same rate as 2,000 pounds of any kind of second-class freight at carrier's risk and fourth-class at owner's risk. Therefore, the freight charges

for fifty miles on one Horse, Mule or Horned Animal is the same as on 2,000 pounds of second-class freight, and would be, according to the Standard Tariff, carrier's risk, 28 cents per 100 pounds, or \$5.60, and at owner's risk, 20 cents per 100 pounds, or \$4.00.

	EACH.		EACH.
One Horse, Mule or Horned Animal	2,000 lbs.	Calves and Sheep, in lots of ..	
Two Horses, Mules or Horned Animals	3,500 lbs.	or more	150 lbs.
Each additional Horse, Mule or Horned Animal	1,000 lbs.	Lambs	100 lbs.
Stallions, Jacks and Bulls	3,000 lbs.	Lambs, in lots of five or more ..	75 lbs.
Yearling Cattle	1,000 lbs.	Hogs for market	350 lbs.
Calves and Sheep	175 lbs.	Pigs and Stock Hogs	125 lbs.
		Pigs, Hogs, Sheep, etc., boxed, actual weight	

The rates on Live Stock as given in this Tariff are based on the following maximum valuations:

Horses and Mules not over	\$120 00 each.
Horned Cattle not over	50 00 each.
Stallions, Jacks and Bulls not over	150 00 each.
Fat Hogs and Fat Calves not over	15 00 each.
Lambs, Stock Hogs, Stock Calves, not over	5 00 each.

Race Horses, Stallions, Jacks, Bulls, and other high-priced animals, when shippers are not willing to have the same transported at above valuations, will be taken only at the following rates on valuation given:

Value from \$150 00 to \$400 00 add to regular rate 30 per cent.
Value from 400 00 to 600 00 add to regular rate 40 per cent.
Value from 600 00 to 800 00 add to regular rate 60 per cent.
Value from 800 00 to 1000 00 add to regular rate 100 per cent.
Over \$1,000, subject to special rate by contract.

Live Stock will be taken at the released or owner's risk rate only when contract is executed by shipper and Station agent.

Mixed shipment of Cattle, Hogs, Lambs, etc., will be taken in car-loads at car-load rates for cattle, but carrier will be released from damage to animals caused by their own acts, or to each other, and from escape, if not haltered, suffocation, exhaustion from heat or cold.

Sucking Calves accompanying Cows will be charged for at rate for single Calves.

Sucking Colts accompanying Mares will be charged for at double the rate for single Calves.

The word "calves" used in these Rules and Regulations applies only to calves under nine months old; and the words "Yearling Cattle" to cattle over nine months and under eighteen months old.

Pigs, Hogs, Calves, etc., boxed, crated, or in portable pens, taken at actual weight, carrier's risk, first-class; owner's risk, second-class.

In no case shall the charge for less than a Car-Load of Live Stock exceed the charge for a Car-Load.

Shippers will be expected to feed, water and care for Stock at their own expense. When food is furnished by Carrier, a charge will be made for the same and collected from Consignee.

One, Two or Three cars of Live Stock will entitle the owner or his agent to be carried free to point of destination of consignment, on the train with the Stock to care for the same. Four to seven cars inclusive, belonging to one owner, two men in charge; and eight cars or more belonging to one owner, three men in charge, which number is the maximum number of attendants that will be carried free for one shipment.

Return transportation not given to owners, agents or attendants.

Standard Freight Tariff—Classes.

Dis- TANCE	PER 100 POUNDS												PER BBL.	PER 100 LBS		PER TON.		PER CAR-LOAD.		
	Miles	1	2	3	4	5	6	A	B	C	D	E		F	H	K	L	M	N	O	P
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	\$0.60	\$0.85	\$9.00	\$8.00	\$5.00
5	12	10	8	6	6	5	5	5	5	5	4	6	10	6	4					
10	18	13	11	9	8	7	6	6	6	6	5	8	12	9	5	.70	.95	10.00	9.00	6.50
15	21	16	14	11	9	7½	6½	7	7	6	9	14	11	5½	.75	1.00	11.00	10.00	7.50	
20	24	18	16	13	10	8	7	8	8	7	10	16	12	6	.80	1.05	12.00	10.00	8.50	
25	27	20	18	14	12	9	8	9	9	8	12	18	14	6½	.90	1.15	14.00	11.00	9.50	
30	30	24	20	16	13	10	8	10	10	8	13	20	16	7	1.00	1.25	16.00	12.00	10.50	
35	33	26	22	18	14	11	9	11	10	9	14	20	18	7½	1.10	1.35	18.00	14.00	11.50	
40	33	26	22	18	14	11	9	11	10½	9	14	21	18	8	1.20	1.35	18.00	14.00	12.00	
45	36	28	24	20	15	12	10	12	10½	9	15	21	20	8	1.20	1.45	20.00	16.00	12.00	
50	36	28	24	20	15	12	10	12	11	9	15	22	20	8	1.20	1.45	20.00	16.00	12.00	
55	39	30	26	21	16	12	11	13	11	10	16	22	21	8	1.30	1.55	22.00	17.00	13.00	
60	39	30	26	21	16	13	11	13	11½	10	16	23	21	9	1.30	1.55	22.00	17.00	13.00	
65	42	32	28	21	17	14	12	14	11½	10	17	23	21	9	1.30	1.60	24.00	17.00	13.00	
70	42	32	28	21	17	14	12	14	12	10	17	24	21	9	1.30	1.60	24.00	17.00	14.00	
75	44	34	30	22	18	15	13	15	12	10	18	24	22	9½	1.40	1.65	26.00	18.00	14.00	
80	44	34	30	22	18	15	13	15	13	11	18	26	22	9½	1.40	1.65	26.00	18.00	14.00	
85	46	36	31	22	19	15	13	16	13	11	19	26	22	9½	1.40	1.70	28.00	18.00	15.00	
90	46	36	31	22	19	15	13	16	13½	11	19	27	22	9½	1.40	1.70	28.00	18.00	15.00	
95	48	38	32	24	20	16	14	16	13½	11	20	27	24	10	1.50	1.75	29.00	19.00	15.00	
100	48	38	32	24	20	16	14	17	14	12	20	28	24	10	1.50	1.75	29.00	19.00	16.00	
110	50	40	33	25	20	16	14	17	14	12	20	28	25	10	1.55	1.80	30.00	19.00	16.00	
120	52	42	34	25	21	17	15	18	15	13	21	30	25	10½	1.60	1.85	31.00	20.00	17.00	
130	54	44	35	26	21	17	15	18	16	13	21	32	26	10½	1.65	1.90	32.00	20.00	18.00	
140	56	46	36	26	22	18	16	19	16	14	22	32	26	10½	1.70	1.95	33.00	21.00	18.00	
150	58	48	37	27	22	18	16½	19	17	14	22	34	27	11	1.75	2.00	34.00	21.00	19.00	
160	59	49	39	29	24	19	16½	20	17	15	24	34	29	11	1.80	2.05	34.00	24.00	19.00	
170	60	50	41	31	26	20	17	20	18	15	26	36	31	12	1.85	2.10	35.00	25.00	20.00	
180	61	51	42	32	28	21	17	21	18	15½	28	36	32	12	1.90	2.10	35.00	26.00	20.00	
190	62	52	43	33	29	22	17½	21	19	15½	29	38	33	12	1.90	2.15	37.00	27.00	21.00	
200	63	53	44	34	30	23	17½	22	19	16	30	38	34	13	1.95	2.20	38.00	28.00	21.00	
210	63	53	44	34	30	23	17½	22	20	16	30	40	34	13	1.95	2.20	38.00	28.00	22.00	
220	64	54	45	35	31	24	18	23	20	17	31	40	35	13	2.00	2.25	39.00	29.00	22.00	
230	64	54	45	35	31	24	18	23	21	17	31	42	35	14	2.00	2.25	39.00	29.00	23.00	
240	65	55	45	35	32	25	19	24	21	18	32	42	36	14	2.05	2.30	40.00	30.00	23.00	
250	65	55	45	36	32	25	19	24	22	18	32	44	36	14	2.05	2.30	40.00	30.00	23.00	
260	65	55	46	36	32	25	20	25	23	19	33	45	37	15	2.10	2.35	41.00	31.00	24.00	
270	66	56	46	36	33	26	20	25	23	19	33	45	37	15	2.10	2.35	41.00	31.00	24.00	

Standard Passenger Tariff.

	<i>First Class.</i>	<i>Second Class.</i>
Twelve years and older	3 $\frac{1}{4}$ c. per mile.	2 $\frac{3}{4}$ c. per mile.
Over 5 and under 12 years of age . .	One-half first-class fare.	

Standard Telegraphic Rates.

Ten body words or under	Twenty-five cents.*
Over ten body words	Two cents for each additional word.

JOINT TELEGRAPHIC RATES.

Whenever a message is sent over two or more telegraph lines owned, controlled and operated by separate and distinct corporations or individuals, the joint rate shall not exceed forty cents for such message of ten body words or less, exclusive of date, address and signature, between any two points within the limits of this State, nor more than three cents for each additional word.

Telephone Rates.

PLACES OF BUSINESS.

Special wire	\$30.00 per year.
Two and three party wire (each)	24.00 per year.
Four and five party wire (each)	18.00 per year.

RESIDENCE.

Special wire	\$18.00 per year.
Two and three party wire (each)	16.00 per year.
Four and five party wire (each)	14.00 per year.

*The Commission has passed an order reducing this rate to 15 cents. Case now pending in Federal Court.

Relation of Railroad Companies to Freight and Passenger Tariffs.

The Railroad Companies doing business in the State of North Carolina will be allowed to apply the Standard Freight and Passenger Tariffs for the transportation of freight and passengers in accordance with the following table:

Atlantic Coast Line System.

WILMINGTON AND WELDON RAILROAD—Main Line.*

PASSENGER—Standard Tariff.

WILSON AND FAYETTEVILLE BRANCH.

PASSENGER—Standard Tariff.

SCOTLAND NECK BRANCH.

PASSENGER—Standard Tariff.

TARBORO BRANCH.

PASSENGER—Standard Tariff.

WASHINGTON BRANCH.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.
Second Class, 3 cents per mile.

CLINTON BRANCH.

PASSENGER—Warsaw to Elliott, 1st Class, 25c.; 2d Class, 20c.
Warsaw to Clinton, 1st Class, 40c.; 2d Class, 35c.

NASHVILLE BRANCH.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.
Second Class, 3 cents per mile.

* The Commission has issued an order making the Passenger Rate on main line of Wilmington and Weldon road from Wilmington to Weldon 2 and $2\frac{1}{2}$ cents per mile—case pending in Court.

NORFOLK AND CAROLINA RAILROAD.

PASSENGER—Standard Tariff.

ALBEMARLE AND RALEIGH RAILROAD.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—The Standard Tariff with 15 per cent added.

WILMINGTON, NEWBERN AND NORFOLK RAILROAD.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

DIS- TANCE.	PER 100 POUNDS.													PER BBL	PER 100 LBS.	PER TON, 2,000 LBS.	PER CAR-LOAD, 20,000 LBS.		
Miles.	1	2	3	4	5	6	A	B	C	D	E	F	H	K	L	M	N	O	P
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	\$	\$	\$	\$	\$
5	10	9	8	6	6	5	5	5	5	4	6	10	6	4	\$0.60	\$0.60	\$9.00	\$5.00	\$5.00
10	17	13	11	9	8	7	6	7	7	5	9	12	9	5	0.70	0.70	11.00	9.00	6.00
15	21	16	14	12	11	9	7	7	8	8	6	14	12	6	0.75	0.80	12.00	10.00	7.00
20	25	19	17	14	13	10	8	9	9	7	14	16	15	7	0.80	0.90	13.00	11.00	8.00
25	29	22	19	16	14	11	9	10	10	8	16	17	18	7	0.85	0.95	14.00	12.00	9.00
30	32	25	21	18	15	12	10	11	11	9	17	18	19	8	0.90	1.00	15.00	13.00	10.00
35	35	27	23	20	16	13	11	12	12	10	18	19	20	8	0.95	1.00	16.00	14.00	11.00
40	37	29	25	21	17	14	12	13	13	11	19	20	21	9	1.00	1.10	18.00	15.00	12.00
50	39	30	26	22	18	15	13	14	14	11	20	20	21	9	1.00	1.10	18.00	15.00	12.00
60	41	32	27	23	19	16	14	15	15	12	21	22	22	10	1.10	1.20	20.00	16.00	14.00
70	43	34	29	23	20	17	14	15	15	12	22	22	22	10	1.10	1.20	20.00	16.00	14.00
80	44	35	30	24	20	17	15	16	16	12	22	22	24	10	1.10	1.20	20.00	16.00	14.00
90	45	36	31	24	20	17	15	16	16	12	22	22	24	10	1.10	1.20	20.00	16.00	14.00

WILMINGTON AND WELDON RAILROAD, INCLUDING ITS BRANCHES,
NORFOLK AND CAROLINA RAILROAD, AND PETERSBURG RAIL-
ROAD WILL APPLY FREIGHT TARIFF AS FOLLOWS:

DISTANCE.	PER 100 POUNDS.												BARRELS.	PER 100 LBS.			PER TON.		PER CAR LOAD.					Cotton.	Leaf Tobacco in Hogsheads, etc.
	Miles	1	2	3	4	5	6	A	B	C	D	E		F	H	K	L	M	N	O	P				
5	cts. 12	cts. 10	cts. 8	cts. 6	cts. 6	cts. 5	cts. 5	cts. 5	cts. 5	cts. 4	cts. 6	cts. 10	cts. 6	cts. 4	.60	.85	\$9.00	\$8.00	\$5.00	cts. 9	cts. 7				
10	18	13	11	9	8	7	6	6	6	5	8	12	9	5	.70	.95	10.00	9.00	6.50	9	8				
15	21	16	14	11	9	9	8	8	7	6	9	14	11	5½	.75	1.00	11.00	10.00	7.50	11	9				
20	24	18	16	13	11	9	8	9	8	7	11	16	13	6	.80	1.05	12.00	10.00	8.50	13	13				
25	27	20	18	15	13	10	9	10	9	8	13	18	15	6½	.90	1.15	14.00	11.00	9.50	16	13				
30	30	24	20	18	14	11	9	11	10	8	14	20	18	7	1.00	1.25	16.00	12.00	10.50	19	14				
35	33	26	22	20	15	12	10	12	10	9	15	20	20	7½	1.10	1.35	18.00	14.00	11.50	20	15				
40	33	26	22	20	15	12	10	12	10½	9	15	21	20	8	1.10	1.35	18.00	14.00	12.00	21	17				
45	36	28	24	22	17	13	11	13	10½	9	17	21	22	8	1.20	1.45	20.00	16.00	12.00	22	17				
50	36	28	24	22	17	13	11	13	11	9	17	22	22	8	1.20	1.45	20.00	16.00	12.00	23	17				
55	39	30	26	23	18	14	12	14	11	10	18	22	23	8	1.30	1.55	22.00	17.00	13.00	23	18				
60	39	30	26	23	18	14	12	14	11½	10	18	23	23	9	1.30	1.55	22.00	17.00	13.00	23	18				
65	42	32	28	23	19	15	13	15	11½	10	19	23	23	9	1.30	1.60	24.00	17.00	13.00	24	19				
70	42	32	28	23	19	15	13	15	12	10	19	24	23	9	1.30	1.60	24.00	17.00	14.00	24	19				
75	44	34	30	24	20	17	13	15	12	10	20	24	24	9½	1.40	1.65	24.00	18.00	14.00	24	19				
80	44	34	30	24	20	17	13	15	13	11	20	26	24	9½	1.40	1.65	24.00	18.00	14.00	24	19				
85	45	36	31	24	21	17	13½	15½	13	11	21	26	24	9½	1.40	1.70	24.00	18.00	15.00	25	20				
90	46	36	31	24	21	17	13½	15½	13½	11	21	27	24	9½	1.40	1.70	25.00	18.00	15.00	25	20				
100	47	38	32	26	22	18	13½	15½	14	11½	22	28	26	10	1.50	1.75	25.00	19.00	16.00	25	20				
110	50	40	33	27	22	18	14	16	14	12	22	28	27	10	1.55	1.80	25.00	19.00	16.00	26	21				
120	50	42	34	27	23	19	14	16	15	12	23	30	27	10½	1.60	1.85	25.00	20.00	16.75	26	21				
130	52	44	35	28	23	19	15	17	16	13	23	32	28	10½	1.60	1.95	25.05	21.00	17.00	28	22				
140	52	46	36	28	24	19½	15	17	16	13	24	32	28	10½	1.60	1.95	25.05	21.00	17.00	28	22				
150	54	47	37	29	24	20	15½	18	17	14	24	34	29	11	1.65	2.00	25.10	21.00	17.05	29	23½				
160	54	47	39	29	25	20	15½	18	17	14	25	34	29	11	1.65	2.05	25.10	22.00	17.05	29	23½				
170	55	48	40	30	26	20¼	16	19	18	15	26	36	30	12	1.65	2.10	25.15	22.50	17.10	32	24				
180	55	48	40	30	26	20¼	16	19	18	15	26	36	30	12	1.65	2.10	25.15	22.50	17.10	32	24				
190	56	49	40½	30½	27	20½	16¼	19¼	18¼	15½	27	38	30½	12	1.65	2.15	25.20	23.00	17.15	34	24½				
200	56	49	40½	30½	27	20½	16¼	19¼	18¼	15½	27	38	30½	12¼	1.70	2.18	25.20	23.00	17.15	34	24½				
210	57	50	41	31	28	20¾	16½	19¼	18¾	16	28	30	31	13	1.70	2.20	25.25	23.50	17.20	34½	25				

MIDLAND NORTH CAROLINA RAILROAD.

PASSENGER—First Class, $2\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—The Standard Tariff with 10 per cent added on Classes 4, 5, 6, A, B, E, H.

Apply Commissioners' Standard Tariff on all other classes.

WILMINGTON, COLUMBIA AND AUGUSTA RAILROAD.

PASSENGER—Standard Tariff.

FREIGHT—On Classes 1 to H, inclusive, the Standard Tariff with 20 per cent added. All other classes the Standard Tariff without percentage.

SOUTHEASTERN RAILROAD—FREIGHT TARIFF.

	PER 100 POUNDS.												PER BBL.			PER 100 LBS.		C. L. 20,000 LBS. MINIMUM.		PER CAR-LOAD 20,000 LBS.				PER 100 LBS.		FERTILIZERS—PER TON, 2,000 LBS.		Cot- ton.	
																		PER TON, 2,000 LBS.						PER 100 LBS.		C. L. 15 TONS.			L. C. L.
	I	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P	R	Rosin	cts.	cts.	\$1.20	\$1.44			
cts	16	14	12	10	9	8	8	8	7	9	16	10	9	6	cts.	\$c. 5c	\$1.00	\$10.00	\$9.00	\$9.00	7	5	cts.	cts.	\$1.20	\$1.44	9		
5 miles and under.	27	25	20	17	15	12	10	12	9	8	15	18	17	10	8	0.60	1.15	13.00	11.00	11.00	8	6	cts.	cts.	1.30	1.56	10		
12 miles and over 5.																													

Southern Railway Company.

ATLANTA AND CHARLOTTE AIR-LINE.

CHARLOTTE, COLUMBIA AND AUGUSTA.

NORTH CAROLINA RAILROAD.

PIEDMONT RAILROAD.

WESTERN NORTH CAROLINA RAILROAD—Salisbury to Old Fort.

WESTERN NORTH CAROLINA RAILROAD—Asheville to Paint Rock.

Tariff as follows:

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—Commissioners' Standard Tariff.

OLD FORT TO ASHEVILLE.

FREIGHT—May add 10 per cent to Commissioners' Standard Tariff.

WESTERN NORTH CAROLINA RAILROAD—Murphy Division.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—May add 25 per cent to Commissioners' Standard Tariff.

ATLANTIC, TENNESSEE AND OHIO RAILROAD.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—May add 10 per cent to Commissioners' Standard Tariff.

ASHEVILLE AND SPARTANBURG RAILROAD.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—May add 25 per cent to Standard Tariff.

HIGH POINT, RANDLEMAN, ASHBORO AND SOUTHERN.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—May add 10 per cent to Commissioners' Standard Tariff.

STATESVILLE AND WESTERN RAILROAD.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

DISTANCES.	PER 100 POUNDS.											PER BBL.	PER 100 LBS.			PER TON, 2,000 LBS.		PER CAR-LOAD, 20,000 LBS.			FERTILIZERS PER 100 LBS.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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STATE UNIVERSITY RAILROAD.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

	PER 100 POUNDS.											PER BBL.	PER 100 POUNDS.			PER TON, 2,000 LBS.	PER CAR-LOAD 20,000 POUNDS.		FERTILIZERS PER 100 LBS.				
													F	H	J		K	L		M	N	O	P
	1	2	3	4	5	6	A	B	C	D	E												
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.		cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	
Five miles or under -----	12	10	8	6	5	5	5	5	4	6		10	6	7	4	60	85	\$9.00	\$8.00	\$6.00	4	5	
Ten miles or under -----	17	13	11	9	7	6	6	6	7	5	7	13	9	8	4½	70	90	10.00	9.00	7.00	4½	5½	

NORTHWESTERN NORTH CAROLINA RAILROAD.

GREENSBORO TO WINSTON.

Commissioners' Standard Tariff.

WINSTON TO WILKESBORO.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—May add 25 per cent to Commissioners' Standard Tariff.

NORTH CAROLINA MIDLAND RAILROAD.PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Commissioners' Standard Tariff with 25 per cent added.

OXFORD AND CLARKSVILLE RAILROAD COMPANY.PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—May add 20 per cent to Commissioners' Standard Tariff.

OXFORD AND HENDERSON RAILROAD COMPANY.

PASSENGER—Standard Tariff.

FREIGHT—May add 20 per cent to Commissioners' Standard Tariff.

YADKIN RAILROAD.PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—May add 25 per cent to Commissioners' Standard Tariff.

Seaboard Air Line System.

SEABOARD AND ROANOKE RAILROAD COMPANY.

PASSENGER— } Commissioners' Standard Tariff.
FREIGHT— }

RALEIGH AND GASTON RAILROAD COMPANY.

PASSENGER— } Commissioners' Standard Tariff.
FREIGHT— }

DURHAM AND NORTHERN RAILWAY COMPANY.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—May add 20 per cent to Commissioners' Standard Tariff.

RALEIGH AND AUGUSTA AIR-LINE RAILROAD COMPANY.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—May add 15 per cent to Commissioners' Standard Tariff.

CAROLINA CENTRAL RAILROAD COMPANY.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—May add 30 per cent to Commissioners' Standard Tariff.

ROANOKE AND TAR RIVER RAILROAD.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—To Classes 1, 2, 3, 4, 5 and 6, add 20 per cent to Commissioners' Standard Tariff.

To Classes A, B, C, D, E, F, H, K, L, M, N, and O,
add 10 per cent to Commissioners' Standard Tariff.

To Class B apply Commissioners' Standard Tariff.

PITTSBORO RAILROAD.

PASSENGER—First Class, 4 cents per mile.

Second Class, 3½ cents per mile.

FREIGHT—Tariff as follows:

	PER 100 POUNDS.										PER BBL.	PER 100 POUNDS.	CAR-LOAD RATES						
													PER TON 2,000 LBS.	PER CAR-LOAD.					
	First Class	Second Class.	Third Class.	Fourth Class	Fifth Class.	Sixth Class.	Class A.	Class B.	Class C.	Class D.	Class E.	Class F.		Class H.	Class K.	Class L.	Class M.	Class N.	Class O.	Class P.
Seven miles and under	cts 14	cts. 12	cts. 9	cts. 7	cts. 7	cts. 6	cts. 6	cts. 6	cts. 6	cts. 4½	cts. 7	cts. 11½	cts. 7	cts. 4½	cts. 70	cts. 80	\$10.00	\$9.00	\$5.75
Twelve miles and over seven	17	13	11	9	7	7	6	6	6	5	9	13	9	4½	70	90	10.00	10.00	7.00

PALMETTO RAILROAD.

PASSENGER—First Class $3\frac{1}{2}$ cents per mile.

Second Class 3 cents per mile.

FREIGHT—Tariff as follows:

DISTANCES.	PER 100 POUNDS.												PER BARREL.	PER 100 POUNDS.					Per Ton.	PER CAR LOAD.					PER 100 POUNDS.
														H	J	K	L	M		N	O	P	R		
	1	2	3	4	5	6	A	B	C	D	E	F													
Three miles and under -----	cts. 10	8	7	6	5	4	4	4	5	5	5	cts. 9	cts. 6	5	3	25	40	\$5.00	\$4.00	\$4.00	cts. 3				
Ten miles and over three miles --	17	15	13	11	9	8	8	8	9	7	9	16	11	10	7	50	80	8.00	7.00	7.00	7				
Sixteen miles and over ten miles.	20	18	17	15	11	10	10	10	11	8	11	20	15	14	8	55	90	9.60	8.00	7.50	7½				
Twenty miles and over sixteen miles.	25	22	19	17	13	11	10	11	12	9	14	22	17	16	8½	60	1.20	10.50	10.00	8.00	8				

ABERDEEN AND

[illegible]

FREIGHT TARIFF ABERDEEN AND ASHEBORO RAILROAD.

CLASS.	PER BBL.											PER 100 POUNDS.			PER TON.		PER CAR-LOAD, 20,000 POUNDS.					Cotton in bales.	Fertilizers per ton.	Rosin per 100 pounds.	Lumber per 100 lbs. 24,000 lbs minimum.	Spirits Turpentine in barrels, per 100 lbs.
	PER BBL.											PER 100 POUNDS.			PER TON.		PER CAR-LOAD, 20,000 POUNDS.									
	I	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P						
5 miles and under	cts 10	cts 9	cts 8	cts 7	cts 6	cts 5	cts 5	cts 5	cts 6	cts 5	cts 6	cts 10	cts 7	cts 9	cts. 4	\$0.70	\$0.85	\$8.00	\$7.00	\$5.00	cts. 6	\$0.60	cts. 2	cts. 1½	3	cts. 3
13 miles and over 5	14	13	12	10	8	7	6½	7	7	6	9	12	11	11	5½	.75	.90	9.00	8.00	6.00	8	.70	2½	2	3¾	5
20 miles and over 13	16	15	14	12	9	8	7	8	8	7	10	15	12	12	6	.80	.95	10.00	9.00	7.20	10	.75	3½	2½	5	6¼
25 miles and over 20	18	17	15	13	11	9	8	9	9	8	12	17	14	13	6½	.90	1.00	11.00	10.00	8.40	12	.80	4	3	6¼	7
30 miles and over 25	20	18	16	15	13	10	8	10	10	8	13	18	15	14	7	1.00	1.10	12.00	11.00	9.00	13	.90	5	3¾	7	7½
35 miles and over 30	22	19	17	16	14	11	9	11	10	9	13	18	16	15	7	1.00	1.25	13.00	11.00	9.50	14	1.00	5	3½	7½	8
40 miles and over 35	22	20	18	17	14	12	10	12	11	10	14	20	18	16	8	1.10	1.25	15.00	13.00	11.00	16	1.15	7	4	8	8½
45 miles and over 40	24	21	20	18	15	12	10	12	11	10	15	20	18	16	8	1.10	1.25	15.00	15.00	12.00	16	1.15	7	4½	8½	9
50 miles and over 45	24	21	20	18	15	12	10	12	11	10	15	20	18	16	8	1.15	1.25	15.00	15.00	12.00	16	1.15	7	4½	8½	9
60 miles and over 50	24	22	21	19	15	12	10	12	11	10	15	20	18	16	8	1.15	1.25	15.00	15.00	12.00	16	1.15	7	4½	8½	9

ATLANTIC AND NORTH CAROLINA RAILROAD.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—As follows:

DISTANCES.	PER 100 POUNDS.												PER TON 2,000 LBS.		PER CAR-LOAD 20,000 POUNDS.			PER 100 LBS.			
	I	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P	R
5 miles and under	cts. 15	12	10	8	6	5	5	5	5	6	cts. 12	cts. 8	cts. 5	4½	\$0.60	\$0.60	\$12.00	\$9.00	\$6.00	cts. 5	
10 miles and over 5	18	14	12	10	8	7	7	7	7	8	14	10	6	5	.65	.65	13.00	10.00	6.00	5	
15 miles and over 10	21	17	15	12	10	8	8	9	8	10	15	12	8	5½	.70	.75	14.00	11.00	6.00	6	
20 miles and over 15	24	20	17	14	11	9	9	11	9	6	11	16	14	10	6	.75	.80	15.00	12.00	6.00	8½
25 miles and over 20	27	22	18	15	12	10	10	13	10	6	12	18	15	15	6	.90	.95	16.00	12.00	7.00	9
30 miles and over 25	30	24	20	17	13	12	11	14	11	6½	13	19	17	15	6½	.95	1.00	17.00	13.00	7.00	10
35 miles and over 30	30	25	20	18	15	15	15	15	16	6½	15	25	18	15	6½	1.00	1.05	17.00	13.00	7.00	11
40 miles and over 35	30	25	20	18	15	15	15	15	16	7	15	25	18	15	7	1.05	1.10	17.00	14.00	7.00	11
45 miles and over 40	32	27	22	20	17	15	15	15	17	7	16	26	20	17	7	1.05	1.15	17.50	14.00	8.00	12
50 miles and over 45	34	29	24	21	19	15	15	15	18	7	19	27	21	18	7	1.10	1.20	18.00	14.00	8.00	12
55 miles and over 50	36	30	25	22	20	15	15	15	19	7	20	28	22	18	7	1.10	1.20	18.50	14.00	8.00	12
60 miles and over 55	38	32	26	23	20	15	15	15	19	7	20	29	23	20	7½	1.10	1.20	20.00	15.00	8.00	12
65 miles and over 60	39	33	27	24	21	16	16	16	20	8	21	30	24	20	8	1.15	1.25	20.50	15.00	9.00	13
70 miles and over 65	40	34	28	25	21	17	17	17	21	9	21	31	25	20	9	1.15	1.25	21.00	15.50	9.00	13
75 miles and over 70	42	35	29	26	22	19	18	19	22	10	22	32	26	20	10	1.15	1.25	21.50	15.50	9.00	13
80 miles and over 75	43	36	30	27	23	20	19	20	23	11	23	33	27	20	11	1.20	1.30	22.00	16.00	9.00	13
85 miles and over 80	45	38	31	28	24	21	20	21	24	12	24	34	28	21	12	1.20	1.30	23.00	16.50	10.00	13
90 miles and over 85	46	39	32	29	25	22	20	22	25	13	25	35	29	21	13	1.20	1.30	24.00	17.00	10.00	14
95 miles and over 90	47	40	33	30	26	23	20	23	26	14	26	36	30	21	14	1.20	1.30	24.00	17.50	10.00	14

Lumber, special rate, see file.

CAPE FEAR AND YADKIN VALLEY RAILWAY COMPANY.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows :

DISTANCES, (Miles).	PER 100 POUNDS												PER BBL.		PER TON, 2,000 LBS.			PER CAR LOAD, 20,000 LBS.			FERTILIZER PER 100 LBS.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
	1			2			3			4			5			6			A			B			C			D			E			F			H		J		K		L		M		N			O			P		C. L. 20,000 Min.		L. C. L.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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90 and under	47	38	33	27	23	16	14	16	16	12½	23	32	27	19	10½	1.40	1.70	29.00	21.00	15.00	10½	12½
95 and under	50	40	35	27	24	16	14	16	16	13	24	33	27	20	10½	1.50	1.75	30.00	21.00	15.00	10½	12½
100 and under	50	40	35	27	24	16	14	16	16	13	24	33	27	20	10½	1.50	1.75	30.00	21.00	16.00	10½	12½
110 and under	52	42	36	28	24	17	15	17	17	13	24	33	28	21	11	1.55	1.80	30.00	22.00	16.00	11	13½
120 and under	54	44	37	29	25	18	15	18	18	14	25	34	29	22	11	1.60	1.85	31.00	22.00	17.00	11	13½
130 and under	56	46	38	29	25	18	15	18	18	14	25	34	29	23	11½	1.65	1.90	32.00	23.00	18.00	11½	14
140 and under	58	47	38	30	26	19	16	19	19	14	26	35	30	23	12	1.70	1.95	33.00	24.00	18.00	12	14½
150 and under	59	48	39	30	26	19	16½	19	19	15	26	37	30	23½	12	1.75	2.05	34.00	24.00	19.00	12	14½
160 and under	59	49	39	31	27	20	17	20	19	15	27	39	31	23½	12½	1.85	2.10	34.00	25.00	19.00	13½	15
170 and under	60	50	41	31	27	20	17	21	20	16	27	40	31	24	12½	1.85	2.10	35.00	25.00	20.00	12½	15
180 and under	61	51	42	32	28	21	17	22	21	17	28	42	32	24	13	1.90	2.10	35.00	26.00	20.00	13	15¾
190 and under	62	52	43	33	29	22	17½	22	21	17	29	43	33	24½	13½	1.90	2.15	37.00	27.00	21.00	14	16¾
200 and under	63	53	44	34	30	23	17½	23	22	17½	30	44	34	24½	14	1.95	2.20	38.00	28.00	21.00	14½	17½
210 and under	63	53	44	34	30	24	17½	23	22	17½	30	44	34	24½	14	1.95	2.20	38.00	28.00	22.00	14½	17½
220 and under	64	54	45	35	31	24	18	23½	22½	18	31	45	35	25	14½	2.00	2.25	39.00	29.00	22.00	15	18
230 and under	64	54	45	35	31	24	18	23½	22½	18	31	45	35	25	14½	2.00	2.25	39.00	29.00	23.00	15	18
240 and under	66	56	46	37	33	25	18	24	23	18	33	46	37	25	15	2.05	2.30	40.00	30.00	23.00	15	18
250 and under	66	56	46	37	33	25	18	24	23	18	33	46	37	25	15	2.05	2.30	40.00	30.00	23.00	15	18
260 and under	68	58	48	38	34	26	19	25	24	19	34	47	38	26	16	2.10	2.35	41.00	31.00	24.00	16	19
270 and under	68	58	48	38	34	26	19	25	24	19	34	47	38	26	16	2.10	2.35	41.00	31.00	25.00	16	19

ATLANTIC AND DANVILLE RAILWAY COMPANY.

FREIGHT, }
 PASSENGER, } Apply special Tariff on file.

OHIO RIVER AND CHARLESTON RAILWAY.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

DISTANCES.	PER 100 POUNDS.												PER BARREL.	PER 100 POUNDS.			PER TON 2,000 POUNDS.		PER CAR LOAD 20,000 POUNDS.				PER 100 POUNDS.
	PER 100 POUNDS.													H	J	K	L	M	N	O	P	R	
	1	2	3	4	5	6	A	B	C	D	E	F	cts.										
For 5 miles or less	15	12	10	8	6	5	5	5	5	6	5	6	12	8	4½	\$.70	\$.80	\$9.00	\$8.00	\$7.00	5		
For 10 miles or over 5 miles	18	14	12	10	8	7	7	7	7	7	6	8	14	10	5	.75	.90	10.00	8.50	7.50	6		
For 15 miles or over 10 miles	21	17	15	12	10	8	8	9	8	7	10	14	12	12	5½	.90	1.05	11.00	9.35	8.00	7		
For 20 miles or over 15 miles	24	20	17	14	11	8	9	11	9	8	11	16	14	14	6	1.10	1.30	12.00	11.00	8.50	8		
For 25 miles or over 20 miles	27	22	18	15	12	10	10	13	10	8	12	18	15	15	7½	1.20	1.30	14.00	12.00	9.00	9		
For 30 miles or over 25 miles	30	24	20	17	13	12	11	14	11	9	13	19	17	16	8½	1.30	1.50	14.50	13.00	9.50	10		
For 35 miles or over 30 miles	33	26	21	18	14	13	12	15	12	10	14	24	18	17	9	1.35	1.75	15.00	13.50	10.00	11		
For 40 miles or over 35 miles	36	28	23	19	15	14	13	16	13	10	15	24	19	19	9	1.35	1.75	17.00	14.00	10.50	12		
For 50 miles or over 40 miles	38	32	26	22	17	15	14	17	14	11	17	25	22	22	10	1.40	1.90	19.00	14.00	11.00	13		
For 60 miles or over 50 miles	42	36	29	25	19	16	15	18	15	12	19	27	25	25	11	1.45	2.00	23.00	15.00	11.50	14		
For 70 miles or over 60 miles	46	39	32	27	21	17	16	19	15½	13	21	28	27	27	11	1.50	2.10	25.00	16.00	12.00	15		

Cotton (without percentage) 6th Class.

HENDERSON AND BREVARD RAILROAD.

PASSENGER—First Class, $3\frac{1}{2}$ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Commissioners' Standard Tariff.

CAROLINA AND NORTHWESTERN.

PASSENGER—First Class, 3½ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

	PER 100 POUNDS.																		PER 100 LBS	PER TON.	XER CAR LOAD 15,000 POUNDS.	PER TON.	PER 100 LBS	T	
	PER 100 POUNDS.																								
	1	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P	R	T			
cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.			
12	11	19	9	8	7	7	7	7	7	6	8	12	7	5	5	\$0.38	\$0.90	\$7.00	\$6.50	\$4.00	7	\$1.20			
16	14	12	10	9	8	8	8	8	7	9	9	16	10	9	6	.50	1.00	7.50	6.75	5.25	8	1.60			
25	22	19	17	13	12	10	12	9	8	13	18	17	10	8		.60	1.15	9.75	8.25	6.00	9	1.85			
33	30	26	24	17	16	12	16	10	9	17	20	24	15	9		.70	1.30	11.25	9.00	6.75	10	1.95			
37	33	29	27	19	18	13	18	11	10	19	22	27	20	9½		.80	1.45	13.75	9.75	7.50	11	2.05			
41	36	32	29	21	19	14	19	12	11	21	24	29	23	10		.90	1.60	14.25	10.50	7.88	11½	2.15			
44	39	33	30	22	20	14½	19½	13	12	22	26	30	24	10½		1.00	1.70	15.75	11.25	8.25	12	2.20			
47	42	34	31	23	20½	15	20	14	13	23	28	31	25	11		1.05	1.80	17.25	12.00	8.63	12½	2.25			
50	45	35	32	24	21	15½	20½	15	13½	24	30	32	26	11¼		1.10	1.90	18.75	12.75	9.00	13	2.30			
53	46	36	33	25	21½	16	20¾	16	14	25	32	33	27	11½		1.15	2.00	19.50	13.50	10.25	13½	2.35			
55	47	37	34	26	22	16¾	21	17	14½	26	34	34	28	11¾		1.20	2.10	20.25	14.25	10.50	14	2.38			
One hundred miles and over ninety																									

CARTHAGE RAILROAD.

PASSENGER—First Class, Cameron to Carthage, 50 cents.
Second Class, Cameron to Carthage, 40 cents.

FREIGHT—Tariff as follow:

	PER 100 POUNDS.											PER BBL.	PER 100 POUNDS.			PER TON 2,000 POUNDS.			PER CAR LOAD 20,000 POUNDS.			Spirits Turpentine.	Rosin.	Cotton.
												F	H	J	K	L	M	N	O	P				
	I	2	3	4	5	6	A	B	C	D	E	cts. 10	cts. 7	cts. 10	cts. 7	cts. 3	cts. 50	cts. 50	\$5.00	\$5.00	\$5.00	cts. 3½	cts. 2	cts. 6
Kelly, N. C	15	13	12	11	8	7	6	5	5	5	5	6	10	7	7	3	50	50	\$5.00	\$5.00	\$5.00	cts. 3½	cts. 2	cts. 6
Carthage, N. C																								
Hannon, N. C																								
Curriesville, N. C																								

FREIGHT TARIFF DURHAM AND CHARLOTTE RAILROAD COMPANY.

DISTANCES.	PER 100 POUNDS.										PER EBL.		PER 100 POUNDS.		PER TON 2,000 LBS.		PER CAR-LOAD 20,000 LBS.		FERTILIZERS PER 100 LBS.		Cotton in bales per 100 lbs.	
	1	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P		C. L. 20,000 lbs. Min.	L. C. L.
5 miles and under -----	cts. 15	cts. 12	cts. 10	cts. 8	cts. 6	cts. 6	cts. 6	cts. 6	cts. 5	cts. 8	cts. 12	cts. 9	cts. 8	cts. 5	cts. 65	\$0.90	\$9.00	\$8.00	\$5.00	cts. 3	cts. 5	
10 miles and over 5 miles -----	20	16	14	12	10	8	7	8	7	10	15	13	9	6	75	1.00	11.00	10.00	6.00	5	6	8
15 miles and over 10 miles -----	23	19	17	15	12	9	8	9	8	12	17	15	10	6	80	1.05	12.00	11.00	7.20	5½	6½	10
20 miles and over 15 miles -----	26	21	18	16	13	10	9	10	10	8	13	19	16	11	85	1.10	13.00	12.00	8.40	6	7	12

DURHAM AND CHARLOTTE RAILROAD.

PASSENGER—Tariff as follows:

Stations.	Gulf.	Palmers.	Carbonton.	Haw Branch.	Linwood.	Glendon.	Johnson.
	cts.	cts.	cts.	cts.	cts.	cts.	cts.
Gulf -----		10	15	20	25	30	45
Palmers -----	10		10	15	15	20	35
Carbonton -----	15	10		10	10	15	30
Haw Branch -----	20	15	10		10	10	25
Linwood -----	25	15	10	10		10	20
Glendon -----	30	20	15	10	10		15
Johnson -----	45	35	30	25	20	15	

EGYPT RAILWAY.

PASSENGER—First Class, 4 cents per mile.

Second Class, 3 cents per mile.

STANDARD FREIGHT TARIFF FOR TEN (10) MILES DISTANCE.

I	2	3	4	5	6	A	B	C	D	E	F	H	K	L	M	N	O	P
cts. 18	cts. 13	cts. 11	cts. 9	cts. 8	cts. 7	cts. 6	cts. 6	cts. 6	cts. 5	cts. 8	cts. 12	cts. 9	cts. 5	cts. 70	cts. 95	\$10.00	\$9.00	\$6.50

ATLANTA, KNOXVILLE AND NORTHERN RAILROAD.

PASSENGER—3 cents per mile.

FREIGHT—Tariff as follows:

DISTANCES— MILES.	PER 100 POUNDS.												PER BAR- REL	PER 100 POUNDS.				PER TON.		PER CAR.				PER 100.
														G	H	J	K	L	M	N	O	P	R	
	1	2	3	4	5	6	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	R		
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.		
5-----	15	14	12	10	9	7	6	5	4½	4	5	9	3	10	10	5	44	\$0.65	\$6.25	\$6.60	\$5.00	8		
10-----	20	17	14	12	11	10	9	8	5½	5	6	11	4	12	12	6	62	1.00	8.10	9.60	6.25	8		
15-----	23	20	18	15	13	11	10	9	6½	5½	7	11	4½	15	15	6	88	1.05	9.35	10.80	7.50	9		
20-----	25	22	20	17	15	12	11	10	6½	6	8	13	6	17	16	7	75	1.10	10.00	12.00	8.75	9		
25-----	28	25	22	20	16	14	12	11	7½	7	9	15	7	20	17	8	79	1.15	11.25	13.20	10.00	10		

NORFOLK AND SOUTHERN RAILROAD.

PASSENGER—Commissioners' Standard Tariff.

FREIGHT—Tariff as follows:

Class.	5 miles and under.	Over 5 miles and under 15.	15 miles and under 20.	20 miles and under 30.	30 miles and under 50.	50 miles and under 70.	70 miles and under 80.	80 miles and under 90.
First Class.....per 100 lbs	\$0.20	\$0.25	\$0.30	\$0.32	\$0.35	\$0.38	\$0.40	\$0.50
Second Class.....do	.15	.20	.25	.27	.30	.33	.35	.40
Third Class.....do	.13	.15	.20	.22	.25	.28	.30	.35
Fourth Class.....do	.12	.13	.18	.20	.22	.24	.25	.30
Fifth Class.....do	.10	.12	.16	.17	.18	.20	.21	.25
Sixth Class.....do	.08	.10	.13	.14	.15	.16	.17	.20
Class A.....do	.08	.10	.13	.14	.15	.16	.17	.20
Class B.....do	.08	.10	.13	.14	.15	.16	.17	.20
Class C.....do	.08	.10	.13	.14	.15	.16	.17	.20
Class D.....do	.06	.08	.09	.10	.11	.12	.13	.15
Class E.....do	.08	.10	.13	.14	.15	.16	.17	.20
Class F.....per barrel	.10	.15	.17	.20	.20	.22	.25	.25
Class H.....per 100 lbs	.07	.08	.09	.10	.11	.12	.13	.15
Class K.....do	.05	.07	.07	.08	.08	.09	.10	.11

TARIFF CALDWELL AND NORTHERN RAILROAD COMPANY.

	Amount.
PASSENGER TARIFF.	
Lenoir to Caldwell Mills.....	\$0.05
Lenoir to Martin's.....	.10
Lenoir to Olivet.....	.20
Lenoir to Coffey's.....	.25
Lenoir to Collettsville.....	.30
FREIGHT RATES.	
Lumber—Collettsville to Lenoir.....per car	6.00
Olivet to Lenoir.....do	5.00
Other freights.....per 100 lbs.	.10

NORFOLK AND WESTERN RAILROAD.—Lynchburg and Durham Division.

PASSENGER—First Class, 3½ cents per mile.

Second Class, 3 cents per mile.

May charge 10 cents as a minimum rate for Second-Class Tickets.

FREIGHT—Tariff as follows:

DISTANCES—MILES.	CLASSES IN CENTS, PER 100 POUNDS.											PER BARREL.					PER 100 POUNDS.				CENTS PER 100 LBS. C. L. 20,000 LBS.				IN ANY QUAN- TITY.	
																	PER TON, 2,000 POUNDS.				Household Goods.		Cement, Plaster, Salt.	C. M. Lumber, Bark.		Box Waterl.
	1	2	3	4	5	6	A	B	C	D	E	F	H	J	K	L	M	N	O	P	Leaf Tobacco (Prized), Hogs- heads or Tierces.					
5 and under	\$0.09	\$0.07	\$0.06	\$0.04	\$0.04	\$0.03	\$0.03	\$0.04	\$0.03	\$0.03	\$0.04	\$0.06	\$0.05	\$0.10	\$0.05	\$0.50	\$0.60	\$0.06	\$0.05	\$0.03½	\$0.10					
10 and over 5	.13	.11	.09	.06	.05	.04	.04	.05	.04	.04	.05	.08	.06	.12	.05	.75	.80	.06	.05	.03¾	.12					
15 and over 10	.18	.15	.12	.08	.06	.05	.05	.06	.06	.05	.06	.12	.08	.12	.05	.75	.80	.08	.05	.04	.12					
20 and over 15	.20	.17	.13	.09	.07	.06	.06	.07	.06	.06	.07	.12	.11	.14	.06	1.00	1.10	.09	.06	.04½	.14					
25 and over 20	.21	.18	.14	.09	.08	.07	.06	.07	.07	.06	.08	.14	.11	.14	.06	1.00	1.10	.09	.07	.04½	.14					
30 and over 25	.23	.20	.16	.10	.09	.08	.06	.08	.08	.06	.09	.16	.11	.14	.06	1.00	1.10	.09	.07	.04½	.14					
35 and over 30	.28	.23	.18	.12	.11	.09	.08	.10	.09	.07	.11	.18	.12	.15	.07	1.10	1.20	.10	.07	.05	.15					
40 and over 35	.30	.26	.20	.13	.12	.10	.09	.11	.10	.08	.12	.20	.13	.16	.08	1.15	1.30	.11	.08	.06	.16					
45 and over 40	.33	.28	.22	.14	.12	.10	.09	.11	.10	.09	.12	.20	.14	.16	.08	1.20	1.30	.12	.08	.06	.16					
50 and over 45	.36	.30	.24	.15	.13	.11	.10	.12	.11	.10	.13	.22	.15	.17	.09	1.25	1.40	.14	.09	.07	.17					

Tariff on Fertilizers from Wilmington, N. C., to stations on the Lynchburg and Durham Railroad shall not exceed the following: Car-load 20,000 pounds, minimum per ton 2,000 pounds—Farrington, N. C., \$3.60; Willardsville N. C., \$3.60; Rogenot, N. C., \$3.78; Lyndover, N. C., \$3.78; Helena, N. C., \$3.78; Roxboro, N. C., \$3.96; Wooddale, N. C., \$4.14.

ROANOKE AND SOUTHERN DIVISION.

PASSENGER—First Class, 3½ cents per mile.

Second Class, 3 cents per mile.

FREIGHT—Tariff as follows:

DISTANCES.	PER 100 POUNDS.																PER BARREL.				PER 100 LBS.				PER CAR-LOAD, 20 000 LBS., EXCESS IN PROPORTION.				PER 100 LBS.		FERTILIZERS, PER 100 LBS.	
																													Leaf Tobacco (prized), Hogs-heads or Tierces			
	1	2	3	4	5	6	A	B	C	D	E	F	H	K	L	M	N	O	P	R	T	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.			
For 5 miles and under	8	7	4	4	4	4	4	4	4	4	4	8	4	3½	\$0.60	\$0.80	\$9.00	\$7.00	\$6.00	2¼	3	\$0.05	3½	4	4	5	6	6½	7			
For 7 miles and over 5	9	8	5	5	5	5	5	5	5	5	10	5	4	.65	.85	10.00	8.00	7.00	7.00	2½	3.2	.06	4	5	6	6½	7	7½	8			
For 10 miles and over 7	18	15	14	12	9	7	6	7	7	6	9	14	12	5	.70	.95	11.00	10.00	8.00	2½	3.2	.08	5	6	6½	7	7½	8	8½			
For 15 miles and over 10	21	18	16	14	11	8	7	8	8	7	11	16	14	5½	.75	1.00	12.00	11.00	9.00	3.3	4	.09	4½	6	6½	7	7½	8	8½			
For 20 miles and over 15	24	20	17	15	12	9	8	9	9	8	12	18	15	6	.80	1.05	13.00	12.00	10.00	3.5	4.4	.10	6	7	7½	8	8½	9	9½			
For 25 miles and over 20	27	22	19	16	13	10	9	10	10	8	13	20	16	6	.90	1.15	15.00	12.00	10.00	3.9	4.9	.11	6	7	7½	8	8½	9	9½			
For 32 miles and over 25	30	24	21	18	14	11	10	11	11	9	14	20	18	7	1.00	1.25	16.00	14.00	11.00	4.1	5¼	.12	7	8	8½	9	9½	10	10½			
For 40 miles and over 32	33	26	22	20	16	12	10	12	12	10	16	22	20	8	1.10	1.35	18.00	16.00	12.00	4.5	5.7	.13	8	9	9½	10	10½	11	11½			
For 50 miles and over 40	36	29	25	22	18	13	11	13	13	11	18	26	22	9	1.20	1.45	20.00	18.00	14.00	5	6.3	.15	9	10	10½	11	11½	12	12½			
For 60 miles and over 50	39	32	28	24	20	14	12	14	14	11	20	28	24	9	1.30	1.55	23.00	18.00	15.00	5.5	6.8	.16	9	10	10½	11	11½	12	12½			

MOORE COUNTY RAILROAD.—In Effect April 1, 1897.

PASSENGER—Aberdeen to Flynn, First Class, 25 cents.

Second Class, 20 cents.

FREIGHT—Tariff as follows:

	PER 100 POUNDS.												PER BBL.	PER 100 POUNDS.			PER TON.	CAR-LOAD, 20,000 POUNDS.						Cotton, in bales, per 100 pounds.	Guano, per ton, 20,000-lb car-load.	Rosin, per 100 pounds.	Lumber per 100 pounds.
	1	2	3	4	5	6	A	B	C	D	E	F		H	J	K		L	M	N	O	P					
	cts	cts	cts	cts.	cts.	cts	cts	cts	cts	cts	cts	cts	cts.	cts	cts	cts.	cts.	cts				cts	cts.	cts	cts.		
Roseland-----	10	9	8	7	6	5	5	5	6	5	6	9	7	9	4	45	60	\$7.00	\$6.00	\$5.00	8	55	2½	2			
Flynn-----	12	11	10	9	7	6	6	6	6	5	8	10	11	11	6	60	70	8.00	7.00	6.00	10	70	2½	2¼			
Craigtownie-----	15	13	12	11	9	8	7	7	7	6	11	13	11	11	6	75	90	9.00	8.00	7.00	11	80	3	2½			

SUFFOLK AND CAROLINA RAILWAY.

PASSENGER—Special tariff on file.

FREIGHT—Tariff as follows:

	PER 100 POUNDS.					
	1	2	3	4	5	6
Ten miles and under -----	\$0.16	\$0.14	\$0.12	\$0.10	\$0.08	\$0.06
Twenty miles and over ten -----	.20	.18	.14	.11	.09	.07
Thirty miles and over twenty -----	.24	.20	.16	.12	.10	.08

WARRENTON RAILROAD.

PASSENGER, }
 FREIGHT, } Special.

WILMINGTON SEACOAST RAILROAD.

PASSENGER, }
 FREIGHT, } Special.

Clams—6 cents per 100 pounds (loaded by carriers).

5½ cents per 100 pounds (loaded by shippers).

Carriers' option as to loading.

Tariff, Classification and Rate Tables for Southern Express Company.

Local Rates—Mileage Scale.

SEABOARD AIR-LINE.

MILEAGE.		EXPRESS RATES PER 100 POUNDS.			
Over Miles.	And Not Over Miles.	Merchandise	Class B.	Class C.	Class D.
1	25	\$0.30	\$0.30	\$0.30	\$0.30
25	50	.50	.45	.45	.40
50	75	.60	.50	.50	.40
75	149	.75	.65	.60	.50
149	159	.80	.75	.70	.60
159	170	.90	.75	.70	.60
170	190	1.00	.80	.75	.60
190	209	1.10	1.00	.90	.70
209	238	1.25	1.00	.90	.70
238	266	1.40	1.25	1.15	.90
266	285	1.50	1.25	1.15	.90
285	333	1.75	1.50	1.25	1.00
333	380	2.00	1.50	1.25	1.15
380	427	2.25	1.75	1.50	1.25
427	-----	2.50	2.00	1.75	1.40

Packages not exceeding 5 pounds in weight, or \$5 in value, between any two points in North Carolina on above-named system of railroads, will be carried for 25 cents.

ATLANTIC COAST-LINE, SOUTHERN RAILWAY, CAPE FEAR AND YADKIN VALLEY AND ALL MISCELLANEOUS ROADS IN THE STATE, AS FOLLOWS:

MILEAGE.		EXPRESS RATES PER 100 POUNDS.			
Over Miles.	And Not Over Miles.	Merchandise.	Class B.	Class C.	Class D.
1	25	\$0.30	\$0.30	\$0.30	\$0.30
25	70	.50	.45	.45	.40
70	149	.75	.65	.60	.50
149	159	.80	.75	.70	.60
159	170	.90	.75	.70	.60
170	190	1.00	.80	.75	.60
190	209	1.10	1.00	.90	.70
209	238	1.25	1.00	.90	.70
238	266	1.40	1.25	1.15	.90
266	285	1.50	1.25	1.15	.90
285	333	1.75	1.50	1.25	1.00
333	380	2.00	1.50	1.25	1.15
380	427	2.25	1.75	1.50	1.25
427	-----	2.50	2.00	1.75	1.40

Packages not exceeding 5 pounds in weight, or \$5 in value, between any two points in North Carolina on above-named system of railroads, will be carried for 25 cents.

EXPRESS—JOINT TARIFF.

On all shipments originating and terminating in this State which shall pass over the whole or portions of two or more roads not under the same control, the maximum rates charged shall not be greater than the sum of the local rates on such freights, less ten (10) per cent for the distance hauled over each road.

GRADUATED RATES FOR PACKAGES WEIGHING LESS THAN ONE HUNDRED POUNDS.

(When the rate between any two points is not given below, use the next higher rate for making price. See Rule 2.)

Class <i>43</i>	A \$0.40	B \$0.50	C \$0.60	D \$0.75	E \$1.00	F \$1.25	G \$1.50	H \$1.75	I \$2.00	J \$2.50	K \$3.00	L \$3.50	M \$4.00	N \$4.50
Packages not over...	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25
Over 1 lb, not over...	2 .25	2 .25	2 .25	2 .25	2 .25	2 .25	2 .25	2 .25	2 .25	2 .30	2 .30	2 .30	2 .30	2 .30
Over 2 lb, not over...	3 .25	3 .25	3 .25	3 .25	3 .30	3 .30	3 .30	3 .35	3 .40	3 .45	3 .45	3 .45	3 .45	3 .45
Over 3 lb, not over...	4 .25	4 .25	4 .25	4 .30	4 .30	4 .30	4 .35	4 .40	4 .45	4 .50	4 .55	4 .60	4 .60	4 .60
Over 4 lb, not over...	5 .25	5 .25	5 .25	5 .30	5 .35	5 .40	5 .40	5 .45	5 .50	5 .55	5 .65	5 .65	5 .65	5 .70
Over 5 lb, not over...	7 .25	7 .30	7 .30	7 .35	7 .35	7 .40	7 .45	7 .50	7 .55	7 .65	7 .70	7 .75	7 .75	7 .85
Over 7 lb, not over...	10 .25	10 .30	10 .30	10 .35	10 .40	10 .45	10 .50	10 .55	10 .60	10 .75	10 .75	10 .90	10 .90	10 .90
Over 10 lb, not over...	15 .25	15 .30	15 .30	15 .35	15 .40	15 .50	15 .60	15 .65	15 .70	15 .80	15 .85	15 .90	15 .90	15 .90
Over 15 lb, not over...	20 .25	20 .30	20 .30	20 .35	20 .45	20 .55	20 .65	20 .70	20 .80	20 .90	20 .95	20 .95	20 .95	20 .95
Over 20 lb, not over...	25 .25	25 .35	25 .35	25 .40	25 .50	25 .60	25 .70	25 .75	25 .90	25 .95	25 .95	25 .95	25 .95	25 .95
Over 25 lb, not over...	30 .25	30 .35	30 .35	30 .45	30 .55	30 .65	30 .75	30 .85	30 .90	30 .95	30 .95	30 .95	30 .95	30 .95
Over 30 lb, not over...	35 .30	35 .40	35 .40	35 .45	35 .55	35 .65	35 .75	35 .85	35 .90	35 .95	35 .95	35 .95	35 .95	35 .95
Over 35 lb, not over...	40 .30	40 .40	40 .40	40 .45	40 .50	40 .55	40 .60	40 .65	40 .70	40 .75	40 .85	40 .85	40 .85	40 .85
Over 40 lb, not over...	45 .30	45 .40	45 .40	45 .45	45 .50	45 .55	45 .60	45 .65	45 .70	45 .75	45 .85	45 .85	45 .85	45 .85
Over 45 lb, not over...	50 .30	50 .45	50 .45	50 .50	50 .55	50 .60	50 .65	50 .70	50 .75	50 .80	50 .85	50 .85	50 .85	50 .85
Over 50 lb, not over...	55 .35	55 .45	55 .45	55 .50	55 .55	55 .60	55 .65	55 .70	55 .75	55 .80	55 .85	55 .85	55 .85	55 .85
Over 55 lb, not over...	60 .35	60 .50	60 .50	60 .55	60 .60	60 .65	60 .70	60 .75	60 .80	60 .85	60 .90	60 .90	60 .90	60 .90
Over 60 lb, not over...	65 .35	65 .50	65 .50	65 .60	65 .65	65 .70	65 .75	65 .80	65 .85	65 .90	65 .95	65 .95	65 .95	65 .95
Over 65 lb, not over...	70 .35	70 .50	70 .60	70 .70	70 .75	70 .80	70 .85	70 .90	70 .95	70 .95	70 .95	70 .95	70 .95	70 .95
Over 70 lb, not over...	75 .40	75 .50	75 .60	75 .70	75 .75	75 .80	75 .85	75 .90	75 .95	75 .95	75 .95	75 .95	75 .95	75 .95
Over 75 lb, not over...	80 .40	80 .50	80 .60	80 .70	80 .75	80 .80	80 .85	80 .90	80 .95	80 .95	80 .95	80 .95	80 .95	80 .95
Over 80 lb, not over...	85 .40	85 .50	85 .60	85 .70	85 .75	85 .80	85 .85	85 .90	85 .95	85 .95	85 .95	85 .95	85 .95	85 .95
Over 85 lb, not over...	90 .40	90 .50	90 .60	90 .70	90 .75	90 .80	90 .85	90 .90	90 .95	90 .95	90 .95	90 .95	90 .95	90 .95
Over 90 lb, not over...	95 .40	95 .50	95 .60	95 .70	95 .75	95 .80	95 .85	95 .90	95 .95	95 .95	95 .95	95 .95	95 .95	95 .95
Over 95 lb, not over...	100 .40	100 .50	100 .60	100 .70	100 .75	100 .80	100 .85	100 .90	100 .95	100 .95	100 .95	100 .95	100 .95	100 .95

When the rate per 100 pounds is \$2.00 or more, charge pound rates for 50 pounds or over; but the charge on a package less than 50 pounds in weight must not be greater than the charge for 50 pounds. If less than \$2.00 per 100 pounds charge graduated rates.

GRADUATED RATES FOR PACKAGES WEIGHING LESS THAN ONE HUNDRED POUNDS.—Continued.

Class <i>43</i>	O \$5.00	P \$6.00	Q \$7.00	R \$8.00	S \$9.00	T \$10.00	U \$11.00	V \$12.00	W \$13.00	X \$14.00	Y \$15.00	Z \$16.00	AA \$17.00	BB \$18.00	CC \$20.00
Packages not over	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.25	1 \$0.30	1 \$0.35	1 \$0.35	1 \$0.35	1 \$0.35	1 \$0.40
Over 1 lb, not over	2 .30	2 .30	2 .30	2 .30	2 .30	2 .30	2 .30	2 .30	2 .30	2 .35	2 .40	2 .40	2 .45	2 .45	2 .50
Over 2 lb, not over	3 .45	3 .45	3 .45	3 .45	3 .45	3 .45	3 .45	3 .45	3 .45	3 .50	3 .55	3 .55	3 .55	3 .55	3 .60
Over 3 lb, not over	4 .60	4 .60	4 .60	4 .60	4 .60	4 .60	4 .60	4 .60	4 .60	4 .65	4 .70	4 .75	4 .75	4 .75	4 .80
Over 4 lb, not over	5 .70	5 .70	5 .75	5 .75	5 .75	5 .75	5 .75	5 .75	5 .80	5 .85	5 .90	5 .95	5 .95	5 .95	6 .00
Over 5 lb, not over	7 .90	7 .95	7 1.00	7 1.00	7 1.00	7 1.00	7 1.00	7 1.00	7 1.00	7 1.10	7 1.15	7 1.15	7 1.25	7 1.40	7 1.50
Over 6 lb, not over	10 1.00	10 1.15	10 1.20	10 1.25	10 1.35	10 1.50	10 1.50	10 1.50	10 1.50	10 1.50	10 1.65	10 1.65	10 1.75	10 1.80	10 2.00
Over 7 lb, not over	15 1.15	15 1.35	15 1.50	15 1.60	15 1.75	15 2.00	15 2.00	15 2.15	15 2.15	15 2.15	15 2.35	15 2.50	15 2.60	15 2.75	15 3.00
Over 8 lb, not over	20 1.30	20 1.65	20 1.75	20 2.00	20 2.00	20 2.50	20 2.50	20 2.75	20 2.75	20 2.85	20 3.00	20 3.20	20 3.40	20 3.60	20 4.00
Over 9 lb, not over	25 1.50	25 1.85	25 2.00	25 2.25	25 2.50	25 3.00	25 3.00	25 3.25	25 3.50	25 3.50	25 3.75	25 4.00	25 4.25	25 4.50	25 5.00
Over 10 lb, not over	30 1.75	30 2.10	30 2.50	30 2.75	30 3.00	30 3.25	30 3.50	30 4.00	30 4.00	30 4.20	30 4.50	30 4.80	30 5.10	30 5.40	30 6.00
Over 11 lb, not over	35 2.00	35 2.50	35 3.25	35 3.50	35 3.75	35 4.25	35 4.50	35 4.75	35 4.75	35 5.00	35 5.25	35 5.50	35 5.75	35 6.00	35 6.50
Over 12 lb, not over	40 2.25	40 2.75	40 3.50	40 3.75	40 4.00	40 4.25	40 4.50	40 5.00	40 5.25	40 5.50	40 5.75	40 6.00	40 6.25	40 6.50	40 7.00
Over 13 lb, not over	45 2.50	45 3.00	45 3.75	45 4.00	45 4.25	45 4.50	45 4.75	45 5.25	45 5.50	45 5.75	45 6.00	45 6.25	45 6.50	45 6.75	45 7.25
Over 14 lb, not over	50 2.50	50 3.00	50 3.50	50 4.00	50 4.50	50 5.00	50 5.50	50 6.00	50 6.50	50 7.00	50 7.50	50 8.00	50 8.50	50 9.00	50 10.00

Express Classification.

SECTION "A."—Advertising Matter, consisting of Printed, Engraved or Photographed Advertisements, on paper or card board (not under glass), and Almanacs, Signs and Cards, without glass, in frames or racks, may be charged for at the merchandise rate per 100 pounds for actual weight.

***SECTION "B."**—The following matter may be charged for at the merchandise rate per 100 pounds for actual weight, charges to be prepaid or guaranteed:

Auxiliary Newspapers, Patent Insides and other appliances used in place thereof, including reading-matter plates, minimum 25 cents.

Packages of Clothing shipped to or by laundries, minimum 30 cents.

Catalogues and Prices Current, with prices extended, to and from dealers and their traveling salesmen, value limited to \$10, minimum 30 cents.

†SECTION "D." Rates on Printed Matter and Seeds and Bulbs, prepaid, for Manufacturers, Publishers and Dealers.

The following articles may be carried at 10 cents for each $1\frac{1}{2}$ pounds or less, and for single packages exceeding $1\frac{1}{2}$ pounds one cent for each additional two ounces or fraction thereof, unless the graduated rate is less. If the through rate exceeds \$8.50 per 100 pounds, no package weighing over four pounds, except single books, will be carried at these rates:

Almanacs.	Engravings.	Periodicals.
Blanks, printed (bound or in sheets).	Envelopes (address printed).	Photographs (not framed).
Blotters and Blotting Pads.	Hand bills.	Plants.
Books, printed (bound or unbound).	Heliotype Work.	Posters.
Bulbs *	Insurance Policies (blank).	Prospectuses.
Calendars.	Labels.	Proof sheets.
Cards, printed.	Lithograph Views of Cities (mounted on cloth, with rollers).	Publications.
Catalogues.	Lithographs.	Roots.
Circulars.	Magazines.	Scions.
Chromos.	Maps.	Seeds.†
Chromo-Lithographs.	Pamphlets.	Sheet Music.
Cuttings.	Paper for Cash Registers (printed on rolls or sheets).	Show Cards (unmounted).
		Stereoscopic Views.

Any of the above-mentioned articles which represent advertising may be taken under Section A when it gives a lower rate.

The following-named articles are not included, and, whether enclosed with the above-named matter, or separately, will subject the shipment to merchandise tariff: Blank-books, Blank Cards, Card boards, Blank Envelopes, Flexible or Paper Patterns, Letter Paper, Ornamental Paper, and Samples of Merchandise, including grain, cloth, medicine and sample cards.

Printed-matter rates apply solely to articles enumerated, and only when shipped by manufacturers, publishers or dealers. The value of each package must be limited to ten dollars, be prepaid, and have the nature of the contents written, stamped or printed thereon, and be so packed that the description may be readily verified by examination.

‡SECTION "E."—Packages of Merchandise (not including jewelry), Grocers' Samples, and Electrotypes and Stereotype Plates for advertising cuts, value not exceeding ten dollars, may be forwarded at a rate of 1 cent per ounce; no charges less than 15 cents per package, charges prepaid.

* When graduated or other rates quoted are less than these, they should be applied. When shipments are ordered returned, these rates apply.

† Packages of Bulbs or Seeds exceeding 40 ounces in weight, 4 cents per package less than rate of $\frac{1}{2}$ cent per ounce, unless regular graduate is less.

‡ When graduated or other rates quoted are less than these, they should be applied. When shipments are ordered returned, these rates apply.

Exception Sheet.

AGRICULTURAL IMPLEMENTS.

Classification Card quotes two classes of Agricultural Implements. Bulky implements will be subject to double merchandise rates. Others will be charged merchandise rates.

The following are bulky:

Cleaners, Cotton-seed.	Mills, Fan.
Cradles, Grain, set up.	Mills, Sugar, with trains.
Cultivators, set up.	Mowing and Reaping Machines, Binders and
Cutters, Ensilage, Straw and Hay, set up.	Harvesters, whether combined or separate,
Distributors, Guano, set up.	set up.
Drills, Grain, set up.	Planters, Corn and Cotton, set up.
Dusters, Bran, set up.	Plows, Gang and Sulky.
Evaporators, Fruit.	Presses, Hay and Cotton, set up.
Evaporators, Sugar.	Purifiers, Middlings.
Fans, Wheat.	Rakes, Horse, set up.
Horsepowers, Railroad or Endless Chain.	Wheelbarrows, Railroad, common carriers' con-
Hullers, Cotton-seed and Clover.	venience.
Incubators, K. D., packed.	Wheelbarrows, Wood, set up.
Manure Spreaders, set up.	

Such of these articles as can be carried by Express will be taken at double merchandise rates. Others will be carried at merchandise rates.

CLASSIFICATION OF PERISHABLES, ETC., CARRIED AT LESS THAN MERCHANDISE RATES.

For the purpose of promoting local traffic between points on the lines of this company, and developing the production of the commodities herein quoted at the same, Agents are authorized to use rates to be found by using the following scale:

This scale or these rates are not authorized to be used on any business transferred to other express companies, nor on any business received from them.

Rates on this class of business to and from points reached by other express companies are known as "Through Rates," and will be furnished upon application to the General Auditor when necessary. Following classification is made:

CLASS A.—To consist of merchandise.

CLASS B.—To consist of the following:

Asparagus,	Celery,	Honey (in the comb),
Dressed Poultry,	Coarse Furs,	Trees and Shrubs (for planting),
Berries,	Eggs,	Oysters (except in shell).
Butter,	Fish,	
Cherries,	Game,	

CLASS C.—To consist of the following:

Beans,	Peaches,	Strained Honey,
Green Hides,	Peas,	Turtles (in barrels),
Ice-cream,	Plums,	Lettuce (gross weight).

CLASS D.—To consist of the following :

Ale,	Cantaloupes (in crates or barrels),	Potatoes,
Apples,	Cucumbers,	Pears,
Bananas,	Egg Plant,	Parsnips,
Beer,	Grapes,	Pop,
Beets,	Greens,	Radishes,
Cheese,	Green Corn,	Salt and Dry Fish,
Crackers,	Lemons,	Sausage,
Chestnuts,	Mineral and Spring Waters.	Squashes (in crates),
Cabbage,	Oranges,	Sugar Cane,
Carrots,	Oysters (in shell),	Soda Water,
Cocoanuts,	Okra,	Tomatoes,
Cider,	Pineapples,	Turnips.
Compressed Yeast,	Pomegranates,	

FRESH MEATS.—See Mileage Scale.

The following Scale of Charges will apply as hereinbefore instructed :

When the Rate on Merchandise is	CHARGE AS FOLLOWS ON OTHER CLASSES :			When the Rate on Merchandise is	CHARGE AS FOLLOWS ON OTHER CLASSES :		
	Class B.	Class C.	Class D		Class B.	Class C.	Class D.
\$0.40-----	\$.40	\$0.40	\$0.40	\$3.25-----	\$2.25	\$2.00	\$1.75
.50-----	.45	.45	.40	3.50-----	2.50	2.25	2.00
.60-----	.50	.50	.40	3.75-----	2.50	2.25	2.00
.75-----	.65	.60	.50	4.00-----	2.75	2.50	2.25
.90-----	.75	.70	.60	4.25-----	3.00	2.75	2.50
1.00-----	.80	.75	.60	4.50-----	3.00	2.75	2.50
1.25-----	1.00	.90	.70	4.75-----	3.00	2.75	2.50
1.50-----	1.25	1.15	.90	5.00-----	3.25	3.00	2.75
1.75-----	1.50	1.25	1.00	5.25-----	3.25	3.00	2.75
2.00-----	1.50	1.25	1.15	5.50-----	3.50	3.25	3.00
2.2-----	1.75	1.50	1.25	5.75-----	3.75	3.50	3.25
2.50-----	2.00	1.75	1.40	6.00-----	4.00	3.75	3.50
2.75-----	2.00	1.75	1.50	6.50-----	4.00	3.75	3.50
3.00-----	2.25	2.00	1.75				

Fresh fish requiring ice for preservation in transit may be carried between all points at net weight, with 25 per cent added when ice is used.

FISH RATES.—Special. See File Circulars, 90 and 91.

DECISIONS

AND

ADJUSTMENT OF COMPLAINTS.

Free Passes.

The Commission in session December, 29, 1897, issued order as follows:

WHEREAS, By section 4 of the Railroad Commission Act, ratified March 5th, 1891, it is made unlawful for any railroad to make or give any undue or unreasonable preference or advantage to any particular person in any respect whatsoever in any matter of transportation to the prejudice or disadvantage of another person in any respect whatsoever; and whereas, said Act, according to the construction of the courts, prohibits the collecting or receiving from any person a greater or less compensation for any service rendered in the transportation of passengers or property than it demands or collects or receives from any other person for a like service under substantially similar circumstances and conditions; and whereas, said Act prohibits any discrimination whatever between individuals, firms, companies or corporations, in the matter of passenger or freight service, and commands equality as to all, subject to certain exceptions particularly set forth in section 25 of said Act; and whereas, said Act has been judicially interpreted to prohibit what is known as "dead head" or "free passes," subject to the exceptions aforesaid; it is therefore

Resolved, That this Commission will take whatever measures that may be lawful to enforce the aforesaid provisions of said Act, and to enforce the penalties therein prescribed for its violation.

It is further ordered that the Clerk of this Board give due notice of this resolution to all railroads doing business in this State, by transmitting copy of this resolution to the managing officers of the railroads of the State.

January 1, 1898.

LAMBETH & BRO.

vs.

RALEIGH AND AUGUSTA RAILROAD COMPANY.

Lost Freight.

Complaint for failure of defendant to deliver shipment of wool, and asking that an order be issued requiring the payment of damage sustained.

Served November 18, 1897.

At a session of the Commission January 1, 1898, it appearing that the loss complained had been paid to plaintiff and no further relief was demanded, case was closed.

January 1, 1898.

CONNER

vs.

WESTERN UNION TELEGRAPH COMPANY.

Telegraphic Service.

Plaintiff filed his complaint alleging very poor and unsatisfactory telegraphic service at Rich Square; that for hours at a time a message can not be sent or received on account of the poor equipment of the line.

Copy of complaint was served on defendant, with request to investigate the cause of complaint. Answer was received through Superintendent J. B. Tree, saying that the service had been improved, a new set of repeaters and other telegraphic appliances, and that in future there would be no cause for complaint.

At a session of the Commission January 1, 1898, it appearing that no further relief was asked, case was closed.

January 1, 1898.

Telephone Rates.

The Railroad Commissioners, having considered the matter of Telephone Rates, issued order as follows:

CIRCULAR NO. 73.

On and after the first day of February, 1898, all Telephone Companies within this State, whether incorporated or otherwise, will be allowed a maximum charge for service, as follows, viz:

PLACE OF BUSINESS.

Special wire	\$30.00 per year.
2 and 3 Party wire (each)	24.00 per year.
4 and 5 Party wire (each)	18.00 per year.

RESIDENCE.

Special wire	\$18.00 per year.
2 and 3 Party wire (each)	16.00 per year.
4 and 5 Party wire (each)	14.00 per year.

This tariff does not apply to service rendered outside the corporate limits of any city or town.

On January 17, 1898, the Southern Bell Telephone Company filed exceptions to this order as follows:

(1) The Southern Bell Telephone and Telegraph Company excepts to the *ex parte* order of the Board of Railroad Commissioners of North Carolina fixing the annual rentals of telephone instruments and exchange service, on the ground that, under what is known as the Railroad Commission Act, passed by the Legislature of said

State during the year A. D. 1891, and the acts amendatory thereof, the said *Railroad Commission* had no authority or jurisdiction to enter said order.

(2) That the Railroad Commission sitting as a Court of Record in a cause known as the State of North Carolina upon the relation of the Board of Railroad Commissioners upon the complaint of G. W. Purefoy, M. D., *et als.* against The Southern Bell Telephone and Telegraph Company, a corporation of the State of New York—adjudged, and decreed that said Board had no jurisdiction to regulate or fix the rate for the rental of telephone instruments and exchange service, as witness copy of its said adjudication or decree herewith annexed, marked Exhibit “A.” That each adjudication and decree has not been appealed from, and remains in full force and effect, as *res adjudicata* between the parties and between the State of North Carolina, the said Board of Railroad Commissioners and the said Southern Bell Telephone and Telegraph Company.

(3) That said order of January 7, 1898, was made without notice to the said Southern Bell Telephone and Telegraph Company without giving it an opportunity to be heard and without evidence submitted to the said Board of Railroad Commissioners to support the said order, and it is setting aside by the said Board not sitting as a court, but as a ministerial body, of what it had decided and decreed as a court, and what could only be set aside by judicial proceedings duly taken.

(4) That the said Board of Railroad Commissioners attempted to lawfully prescribe rates for the annual rental of telephone instruments and exchange service, and the same were published on pages 51 and 52 of its Sixth Annual Report; that even if the said Board had the power to fix such rates yet it was necessary for the said Board to have testimony before it in order for it to change the rates to those as set forth in its said order of January 7, 1898, or for it to show in what other way it concluded that the said rates set forth in its said order of January 7, 1898, were just and reasonable.

(5) Without evidence it would be impossible for the said Board to say what rates would be just and reasonable, and the said Board must say upon what evidence the said rates ordered January 7, 1898, are based.

(6) That in fixing the rates named in said order of January 7, 1898, the said Board of Railroad Commissioners did not consider the requirements set out in section 5 of said Railroad Commission Act passed A. D. 1891, and ignored the legislative restrictions therein set forth—the same being published by said Board in the Sixth Annual Report thereof.

(7) That the General Assembly of the State of North Carolina, from which Board of Railroad Commissioners derived its power, authority and existence, did not give or attempt to give the said Board the power to make an arbitrary rate; and the said rates as per said order of January 7, 1898, being arbitrary, *are void*.

(8) That if the General Assembly of the State of North Carolina attempted to give said Board the power or authority to make arbitrary rates, the said rates as per said order of January 7, 1898, being arbitrary, are null and void, it being beyond the power of the said General Assembly to give said power as aforesaid.

(9) That said order of January 7, 1898, was in derogation of the constitutional right of the said Southern Bell Telephone and Telegraph Company in that it violates the provisions of section 1, of the 14th amendment to the Constitution of the United States in that the enforcement of said rates would deprive said company of its property without due process of law and deny to it the equal protection of the laws which protect private property.

(10) That the said rates prescribed or fixed in said order of January 7, 1898, are not fair, just or reasonable.

(11) That the said Board of Railroad Commissioners is not lawfully constituted—

(a) For that the part of said Railroad Commission Act giving the Governor of North Carolina the power to remove the Commissioners was in violation of the Constitution of North Carolina and of the United States.

(b) For that a supercedeas had been allowed by the Chief Justice of the Supreme Court of said State and had been issued preventing L. C. Caldwell and John H. Pearson from acting as members of said Board, and when said order of January 7, 1898, was made said Caldwell and Pearson were acting as such members.

On February 17, 1898, a hearing on the exceptions was given. After argument of counsel and consideration it is ordered:

That each and all the exceptions of the Southern Bell Telephone and Telegraph Company to Circular No. 73 fixing a tariff of rates for Telephone Companies be and are hereby overruled. Said rates effective on and after the first day of February, 1898.

From this order the defendant appealed.

Case pending.

January 1, 1898.

N. GLENN WILLIAMS

vs.

SOUTHERN RAILWAY.

Commutation Ticket.

Complainant bought a reduced rate return ticket from Greensboro to Charlotte; the said ticket was marked in red ink, "Not good on Southwestern Vestibule Limited." Plaintiff, on return from Charlotte, got aboard this train and conductor refused to honor the return coupon of ticket, and demanded the regular fare from Charlotte to Greensboro. Plaintiff paid the fare and now asks the Commission to require that sum be refunded to him inasmuch as he held a return ticket.

At a session of the Commission January 13, 1898, this case was called for hearing and it appearing that the conditions were marked in red ink and plainly, as above set out, the company, it seemed, had a right to impose these conditions in consideration of the low rate charged, and the commission concludes that the relief asked by the plaintiff ought not to be granted, but that plaintiff was entitled to such refund as would be under chapter 83, Laws of 1897, which reads as follows:

"That when any round-trip ticket is sold by any railroad company it shall be the duty of said company to redeem the unused portion of said ticket by allowing to the legal holder thereof the difference between the cost thereof and the price of a one-way ticket between the stations for which the said round-trip ticket was sold."

January 13, 1898.

H. C. OLIVE

vs.

SOUTHERN EXPRESS COMPANY.

Overcharge.

Complaint filed December 27, 1897, for overcharge.

Complaint served and answer filed that overcharge had been promptly refunded. Case closed.

January 25, 1898.

W. J. WEDDINGTON

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Damage.

This was a complaint for damage to contents of trunk, alleging rough handling as the cause of damage.

Complaint was served on defendant December 31, 1898, and answer thereto filed January 5, 1898, enclosing affidavit from the agent who handled the trunk to the effect that trunk was carefully handled, and that the trunk had the appearance of considerable age and not well put together.

It appeared further that the contents of the trunk did not consist of clothing apparel at all, but a phonograph outfit, which was damaged, and upon which the claim was predicated.

At a session of the Commission January 13, 1898, the Commission, after investigation and consideration of the matter, addressed a communication to complainant advising that inasmuch as such articles as phonograph outfits, etc., were shipped in trunk as baggage it would not be justifiable in ordering the relief demanded.

January 13, 1898.

WILSON LUMBER COMPANY

vs.

CAROLINA AND NORTHWESTERN RAILROAD COMPANY.

Delay in Furnishing Cars.

Complainants are manufacturers and dealers in lumber, and allege that they have suffered great inconvenience by the failure of defendant to furnish sufficient number of cars for the shipping of their lumber, and ask for relief.

Notice served November 22, 1897, and answer thereto filed November 28, 1897.

At a session of the Commission January 13, 1898, a letter is read from complainants saying that they had had no further trouble in getting cars, and desired no further action.

January 13, 1898.

GEO. W. THOMPSON

vs.

RALEIGH AND GASTON RAILROAD COMPANY.

Damage.

Complaint alleges that plaintiff, on the 24th day of December, 1897, bought two tickets over line of defendant's road from Raleigh via Moncure to Pittsboro; that defendant's train was delayed in leaving Raleigh and consequently on arriving at Moncure its connecting train for Pittsboro had gone, and plaintiff was required to hire private conveyance for transportation through the country at an increased expense.

Plaintiff asks that this additional expense be required to be refunded to him by defendant, on the ground that plaintiff should have been advised at Raleigh before departure of train that the connection at Moncure would not be made.

At a session of the Commission at Raleigh January 14, 1898, this case was called for hearing, and after consideration it was adjudged that the plaintiff was entitled to the relief asked, and so ordered.

January 14, 1898.

BOURNE & CO.

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Lost Freight.

This was a complaint asking that defendant be required to pay for lost shipment of meal.

Complaint was served and answer filed that claim would be promptly paid.

At a session of the Commission January 13, 1898, it appearing that defendant had paid to complainant the amount of claim as demanded, case was closed.

January 13, 1898.

DAVENPORT

vs.

SOUTHERN EXPRESS COMPANY.

Delay in Delivery of Freight.

This was a complaint for delay in delivery of package sent by express from Chicago to Manteo.

Defendant was asked to investigate the matter at once.

At a session of the Commission on January 25, 1898, it appearing that the shipment had been delivered and that plaintiff was satisfied, case was dismissed.

January 25, 1898.

D. L. SANDERS

vs.

ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY.

Overcharge.

This was a complaint for overcharge on shipment of starch from New York to Morehead City, plaintiff's place of business.

Plaintiff was advised on November 6, 1897, that there was an overcharge if the weight and freight paid was as stated by him, and to call on defendant to refund same, and if not done to advise the Commission further, furnishing bill lading, etc.

At a session of the Commission January 25, 1898, no further communication having been received from plaintiff, case was dismissed.

January 25, 1898.

K. E. TERRY

vs.

ATLANTIC AND NORTH CAROLINA RAILROAD.

Complainant, a manufacturer of lumber at Morehead City, filed complaint alleging that he had erected a mill on the line of Atlantic and North Carolina Railroad at a cost of over \$10,000, and had made arrangement with defendant for a side track or switch, which was put in.

Plaintiff abandoned the mill for some time, only working in a small way, and was absent North. On his return found that the switch had been taken up, and was unable to prevail on defendant to replace same.

A copy of complaint was served on December 18th, with request for immediate answer. On December 30, 1897, answer was filed through S. L. Dill, Superintendent of defendant company, as follows:

"The freights furnished by plaintiff has never paid us at any time for the cost of putting in the siding: the mill has not for four years, which he claims that he run it, given us fifty cars of freight: his main business has been with sailing vessels, and he is certainly not now in a condition to average with us a car a week, and to reach the plant referred to we have to keep up a track of 400 yards. We have now opposite his mill a spur track which will hold three cars. Mr. Terry will not guarantee us any freight, and it would be a hardship to compel us to put in this track."

At a session of the Commission January 25, 1898, this case was called, and after a full investigation it is adjudged that unless plaintiff can give some assurance of a sufficient business to justify the road in placing the side track the relief asked should not be granted.

January 25, 1898.

CITIZENS OF STATESVILLE
vs.
SOUTHERN RAILWAY COMPANY.

Cotton Rate.

This was a petition by the citizens of Statesville, representing merchants and cotton buyers, complaining of the freight rate on cotton over Western North Carolina Railroad and A., T. and O., in that Statesville was discriminated against.

The petition was followed by letters from prominent cotton brokers of Statesville, alleging that the rate of freight on cotton had recently been raised, and that the previous rate was a satisfactory one, and asked that it be restored.

The Commission, at a session January 15, 1898, restored the old rate, which was sixth class of Commissioners' Classification, for The Western North Carolina Railroad and Atlantic, Tennessee and Ohio Railroad.

On January 24, 1898, defendant filed exceptions to this order, as follows:

First. The present rate is just and reasonable, and is not unreasonably high.

Second: That the rate, as ordered, is not a reasonable and just rate, in that it will fail to yield the said Southern Railway Company a reasonable return for the service expected to be rendered therefor.

At a session of the Commission at Raleigh, January 25, 1898, a hearing was had on the exceptions.

The Commission, after argument of counsel and consideration, ordered that the exceptions be overruled.

January 25, 1898.

CITIZENS OF LUMBERTON
vs.
CAROLINA CENTRAL RAILROAD COMPANY.

Passenger Station.

This was a complaint from the citizens of Lumberton, saying that defendant company had failed to comply with a former order of the Commission in the matter of a freight and passenger station at that place. Defendants were called upon for answer to the complaint.

At a session of the Commission, January 25, 1898, this case was called, and it appeared by communication from plaintiff that the accommodations had now been furnished to the satisfaction of all, and that no further relief was asked.

January 25, 1898.

UTLEY
vs.
SOUTHERN RAILWAY AND RALEIGH AND GASTON.

Train Connection.

Plaintiff alleges great inconvenience to the traveling public on account of the present schedule and failure of train No. 38 of Seaboard Air Line and train

No. 16 of The Southern Railway, to make close connection at Raleigh. The first train arriving at 11.30 a. m., and the second at 11.45 a. m.

The Commission addressed a communication to defendants requesting that this connection be made.

January 25, 1898.

vs.

RALEIGH AND GASTON RAILROAD COMPANY.

Prepayment of Freight.

This was a complaint alleging that The Raleigh and Gaston Railroad Company refused to receive and forward shipments of paper stock from Raleigh to Neuse unless prepayment of the freight charges was made. Complaint was served January 10, 1898, and answer thereto filed through C. R. Capps, General Freight Agent of defendant company, to the effect that defendant had suffered loss by the failure of same consignee on previous shipment, and did not desire to run further risk.

At a session of the Commission January 25, 1898, it was adjudged and so ordered, that the relief asked be not granted.

January 25, 1898.

S. S. WINDER & COMPANY

vs.

SOUTHERN EXPRESS COMPANY.

Damage.

This was a complaint for damage sustained by theft or loss of peaches in transit, and further makes claim for overcharge.

Plaintiff alleges that they were guaranteed a lower rate than charged for, and that peaches were in bad condition when received, the packages broken and contents partly gone.

Notice was served on defendant December 31, 1898, as follows: "If you received these peaches in good order, and if not in good order when received, and did not so state on bill of lading or way bill, it would seem that you were responsible for such loss as may have occurred. Take the matter up with complainant and endeavor to effect a settlement, advising the Commission of action taken."

Defendant answers, through W. J. Crowell, Superintendent: "I have been to see these parties the second time, and there is no reason in them. They simply make a claim without any evidence whatever to substantiate it. They claim they were given a rate of eight cents a basket, which is positively denied, and I have a statement from both our agent and his clerk to that effect. I hand you also copies of all way-bills, in which shipments of peaches for this firm were entered, and you will see at a glance that every charge is uniform and at a rate of 40 cents per 100 pounds, which was the rate we gave them. We have not overcharged one cent.

"As to the condition of the fruit when received from the steamer, I have to say that in some cases we receipted to the steamer for it in bad order, and herewith submit as corroboratory evidence that the fruit came to us in bad order. You will understand that this matter was not sent by express at all. I have investigated the matter with great care, and am thoroughly convinced that there is no justice or merit in the claim."

At a session of the Commission January 25, 1898, this case was called, and the facts appearing as stated by defendant, it was adjudged that plaintiff ought not to be granted relief asked, and so ordered.

January 25, 1898.

ANNIE L. WALTON

vs.

WESTERN UNION TELEGRAPH COMPANY.

Damage.

Complainant alleges that she delivered a message at the office of defendant at Asheville to be transmitted to Biltmore, and said message was not delivered within a reasonable time, causing complainant to suffer damage.

Complaint was served with request for answer, which was received through J. B. Tree, Superintendent, stating that defendant's agent had used all diligence possible in endeavoring to get the message delivered, and, furthermore, that message was not prepaid, and connecting line of defendant at Biltmore refused to forward unless prepaid, and that complainant was so advised.

The case was called at a session of the Commission February 14, 1898; and it appearing that the Commission did not have jurisdiction of the subject-matter of the complaint, it was adjudged that the action be dismissed.

February 14, 1898.

J. E. RAMSEY

vs.

ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY.

Overcharge.

Complaint for overcharge on shipment of butter from New York to plaintiff's place of business, Morehead City. Copy of complaint was served on defendant with request to refund the apparent overcharge.

At a session of the Commission, February 17, 1898, it appearing that the overcharge had been refunded to plaintiff, case was closed.

February 17, 1898.

BUIE

vs.

NORFOLK AND WESTERN RAILROAD COMPANY.

Discontinuance of Agency.

This was a complaint filed against defendant for discontinuing agency at Bahama, a station on the line of Lynchburg and Durham Railroad, and making said station a prepay station.

Complainant alleged that it would cause a great inconvenience to the people around Bahama. A letter was also received from the Business Mens' Association of Danville, saying that it would not only inconvenience the people in the section of Bahama, but that it would restrict planters in that vicinity from marketing their tobacco at Danville and Lynchburg.

Complaint was served on February 8th and answer thereto filed February 12, through L. E. Johnson, General Superintendent of defendant company, as follows: The business done at Bahama did not justify the expense of an agent; there is no necessity for the keeping open of the station, on account of the close proximity of Willardsville station, which is 2.3 miles south of Bahama, and Rougemont station, 4.6 miles north of Bahama, both of which have agents; that it is a thinly settled country, and no business done at the place of any consequence, and would work a hardship on the company to be required to keep an agent.

This case was called for hearing at a session of the Commission February 17, 1898, and the facts appearing as stated by the defendant, it is adjudged that the complaint be dismissed.

February 17, 1898.

CITIZENS OF KELFORD

vs.

NORFOLK AND CAROLINA RAILROAD COMPANY.

Petition for Freight and Passenger Station.

This was a petition by the citizens of Kelford, a station on the line of The Norfolk and Carolina Railroad, complaining of the insufficient freight and passenger accommodations furnished by the said company at Kelford.

Petitioners allege that there is only one small waiting-room for all colors and classes of passengers, and one freight room that is entirely too small for the amount of business done, and prays that the Commission will issue an order commanding defendants to furnish better accommodations for both freight and passengers.

A copy of the complaint was served on defendant February 3, 1898, and on February 12, 1898, answer was filed through G. M. Serpell, General Manager, saying that two additional rooms would be added to the present building at once.

At a session of the Commission February 17, 1898, it appearing that the relief asked was being granted, and that no further action was desired, case was closed.

February 17, 1898.

C. W. GARRETT & CO.

vs.

ATLANTIC COAST LINE SYSTEM.

Overcharge.

Complaint for overcharge on shipments of empty barrels from Lewiston to Weldon.

Complaint served and answer filed February 17, 1898, saying that the overcharge was made through error and had been refunded to plaintiff. Closed.

February 17, 1898.

Classification of Corn.

On February 1, 1898, the Commission issued Circular No. 75, making classification of corn in sacks, or bulk carload, minimum 25,000 pounds, Class K, Commissioner's Standard Tariff; and providing that all shipments which shall pass over the whole or portions of two or more roads, in applying tariff, shall be considered as upon one and the same road.

The different systems of roads filed exceptions to this order, on the ground that the classification as ordered is unreasonable and unjust, in that it reduces the rate to such an extent the carriers are required to perform a service for less than a reasonable return therefor; and on joint shipments would enforce a rate less than the cost of transportation.

At a session of the Commission, February 17, 1898, a hearing of the exceptions was had. The object of the low rate on corn being to enable shippers in Eastern North Carolina to market their corn in Central North Carolina, Circular No. 76 was repealed and Circular No. 79 issued, making a rate of 10 cents per 100 pounds on corn from New Bern to Raleigh.

February 17, 1898.

Fertilizer Rates.

At a session of the Commission, the question of a revision of the fertilizer tariff being under consideration, Circular No. 74 was issued, as follows:

"On and after the first day of February, 1898, the maximum freight rate on fertilizers, carload shipments, 20,000 pounds minimum, will be the present rate in effect, less sixteen and two-thirds ($16\frac{2}{3}$) per cent, applicable to all roads."

To this order all the roads filed exceptions, setting out, in short, as follows:

That the present rates in effect are just and reasonable, and are not unreasonably high.

That the rate as reduced is not a reasonable and just rate to the different railroad companies, and is unreasonably low, in that it will fail to yield the different railroad companies a reasonable return for the service expected to be rendered therefor.

That the reduction of a rate on a commodity such as fertilizer, which constitutes so large a portion of the business of said companies, would result in the impairment of the revenue of the railroad companies in North Carolina to such

an extent as to render it impossible for said companies to earn a fair return upon the investment made by their respective stockholders and bondholders in the State. That the reduction of the present rate on fertilizers would result in an estimated annual reduction of the revenue of the different roads in the State to about sixty-five thousand dollars; and that it is not just and reasonable to so arbitrarily deprive the companies of their property without ordering a compensatory increase in the rate of some other commodity or commodities.

On January 28, 1898, the case was again called for hearing upon exceptions. Numerous witnesses were also examined, evidence filed with papers in case.

Argument of counsel is heard, and after consideration the exceptions of the main line of the roads are overruled, and that of the branch and smaller lines sustained.

To the order overruling these exceptions the roads filed further exceptions, and asked for a rehearing of the case.

The fertilizer manufacturers and others also asked for a rehearing.

On February 17, 1898, a rehearing was granted and case reopened.

At this hearing the fertilizer manufacturers were also represented. A full and thorough investigation was entered into, witnesses examined, statements of comparison of rates with this and other States, etc.; and it appearing that a fertilizer rate on a standard mileage basis would be more satisfactory to both shippers and the railroads, and would cause less confusion in promulgating the rates, it was ordered that Circular No. 74 be rescinded and 78 be issued, which is subsequently amended by 87 to read as follows:

From and after the first day of May, 1898, the maximum freight rates on fertilizers on all railroads in this State will be as follows:

CAR LOAD FIFTEEN TONS MINIMUM.

	PER TON.
5 miles and under	\$.60
10 miles and over .....	.80
15 miles and over 10	1.00
20 miles and over 15	1.10
30 miles and over 20	1.20
40 miles and over 30	1.30
50 miles and over 40	1.40
60 miles and over 50	1.50
70 miles and over 60	1.60
80 miles and over 70	1.70
90 miles and over 80	1.80
100 miles and over 90	1.90
110 miles and over 100	2.00
120 miles and over 110	2.10
130 miles and over 120	2.20
140 miles and over 130	2.30
150 miles and over 140	2.40
160 miles and over 150	2.50
170 miles and over 160	2.55
180 miles and over 170	2.60
190 miles and over 180	2.65
200 miles and over 190	2.70
210 miles and over 200	2.75

CAR LOAD FIFTEEN TONS MINIMUM—*continued*.

	PER TON.
220 miles and over 210	2.80
230 miles and over 220	2.85
240 miles and over 230	2.90
250 miles and over 240	2.95
260 miles and over 250	3.00
270 miles and over 260	3.05

On less than car-load shipments, rates may be made 20 per cent higher than above. The joint rates on two or more roads, not under the same management or control, shall be made on the basis of the sum of the locals of each road, less 20 per cent.

The following roads are excepted from the provisions of this circular: Cheraw and Darlington, Wilmington, New Bern and Norfolk, and the present tariff in effect on these roads is continued. Wilmington, Columbia and Augusta may add 10 per cent. North Carolina Midland, Northwestern North Carolina Winston to Wilkesboro, State University, Statesville and Western, Western North Carolina, Asheville to Murphy, and Yadkin Railroad will continue present rate in effect.

The Carolina Central Railroad shall apply the rate now in effect on The Cape Fear and Yadkin Valley Railroad. The present rate in effect on The Durham and Northern Railroad is continued. Raleigh and Augusta Railroad may add 15 per cent to Commissioners' standard rate. The present rates in effect on the following roads are continued:

Atlantic and North Carolina, Aberdeen and Rock Fish, Atlantic and Danville, Cape Fear and Yadkin Valley, Carthage, Cashie and Chowan, Carolina and Northwestern, Caldwell and Northern, Danville, Mocksville and Southwestern, Raleigh and Western, Durham and Charlotte, Atlanta, Knoxville and Northern, Hendersonville and Brevard, Northampton and Hertford, Norfolk and Southern, Norfolk and Western, Moore County, Ohio River and Charleston, Suffolk and Carolina and Warrenton.

February 17, 1898.

J. S. MEADOWS

vs.

RALEIGH AND GASTON RAILROAD COMPANY.

Discrimination in Issuing Free Passes.

Complainant is proprietor of a hotel in Louisburg, and alleges that his competitor in same business is allowed a free pass over the railroads, which is not only a violation of law, but discriminates against him, to his injury, in that his competitor, by reason of his free pass, can travel on the train and drum for guests. Plaintiff asks that the discrimination be corrected.

Upon investigation it appeared that the competitor of plaintiff had sustained injury by reason of an accident on defendant's train, and had taken in part pay for damages a pass.

At a session of the Commission, February 21, 1898, the facts appearing as set out above, case was dismissed.

February 21, 1898.

C. O. VEST

vs.

SOUTHERN RAILWAY COMPANY.

Damage.

Plaintiff alleges that he suffered loss by the burning of fences, caused by fire from locomotive of defendant.

Copy of complaint was served on defendant January 27, 1898, with request for answer, or to satisfy complaint.

At a session of the Commission February 22, 1898, it appearing that defendant had paid to plaintiff the damage claimed and sought no further redress, case was closed.

February 22, 1898.

W. F. MASSEY TO THE COMMISSION.

Free Transportation.

Petitioner is connected with The North Carolina Agricultural Experiment Station at Southern Pines, which is prosecuting extensive experiments for the benefit of the fruit growers and truckers of the State. Petitioner has general charge of this work as the Horticulturist of the Station, and inasmuch as this work is for the benefit of the State, requests that the Commission consent to the free transportation of himself and others connected with this work by the railroad companies.

The Commission replied to this petition, that they could not grant the request, as in their opinion it would be a violation of the law.

March 12, 1898.

N. M. LAWRENCE TO THE COMMISSION.

Free Transportation.

This was a petition from plaintiff, who is Superintendent of Oxford Orphan Asylum, desiring that the Commission consent to the railroad companies granting petitioner free transportation over their roads while traveling in the interest of the Orphan Asylum.

At a session of the Commission March 14, 1898, this matter was called, and the Commission was of the opinion that it appeared from the 25th section of the Railroad Commission Act that it would not be a violation of the law for the railroad companies to grant free transportation to persons traveling in the interest of Orphan Asylums.

March 14, 1898.

N. G. YARBOROUGH

vs.

RALEIGH AND AUGUSTA RAILROAD COMPANY.

Claim for Damage.

Plaintiff alleges an unusual delay in the delivery of wagon shipped from Clarksville, Va., to Moncure, plaintiff's place of business, and asks that defendant be required to show delivery and pay damages.

The matter was investigated by the Commission and delivery made.

At a session of the Commission March 14, 1898, it appeared that plaintiff was satisfied and desired no further redress.

March 14, 1898.

R. M. PERSON

vs.

RALEIGH AND GASTON RAILROAD COMPANY.

Delay in Delivery of Freight.

Complaint for delay in forwarding consignment of drugs from Kittrells to New Bern, and asking the Commission to investigate.

Copy of complaint was served on defendant, with request for immediate attention.

At a session of the Commission March 14, 1898, a communication was read from defendant, saying that the shipment had been delivered to consignee and that no further relief was asked. Case closed.

March 14, 1898.

BAILEY BROS.

vs.

SEABOARD AND ROANOKE RAILROAD COMPANY.

Forwarding Freight.

Complainants, who are manufacturers of tobacco at Winston, N. C., complain and allege that defendant refuses to receive and forward shipments of tobacco from connecting lines and destined to points on line of defendant's road.

Complaint was served with request for immediate answer.

On February 7, 1898, answer was received through H. W. B. Glover, Traffic Manager of defendant company, saying that the shipments in question moved over the line of Norfolk and Western Railroad out of Winston, and that his company refuses to receive same, for the reason that a satisfactory arrangement could not be agreed upon in the division of freight with connecting lines.

To this answer a reply was directed as follows:

"Your attention is called to rule 31 of the rules governing the transportation of freight, which reads as follows:

“No common carrier shall, for any cause, subject any article of freight to unreasonable delay in receiving, delivering, or forwarding the same to its destination.”

The Commission is of the opinion that you should not refuse to receive and forward this freight to destination for the reason set out in your letter.

At a session of the Commission March 14, 1898, it appearing by letter from plaintiff that the relief asked had been granted, and no further action was demanded, case was dismissed.

March 14, 1898.

R. L. RAY et al. TO THE COMMISSION.

Petition for Telegraph Office.

This was a petition asking the Commission to require defendant company to establish a telegraph office at Pine Level.

Complaint was served February 23, 1898, and answer thereto filed March 14, 1898, through J. B. Tree, Superintendent, in part as follows:

“Pine Level is a station on the line of The North Carolina Railroad, about three miles east of Selma, and six miles west of Princeton, and that the railroad people have never deemed it necessary to establish an office there. The year's receipts at Princeton, six miles west of Pine Level, but a much larger place, do not average a business of but little over four dollars per month. A competent operator would cost forty or fifty dollars per month, and the business at Pine Level would be hardly anything.”

March 14, 1898, at a session of the Commission, the facts appearing as above stated, and in addition thereto it appearing that Pine Level is connected with a long distance telephone with Selma, Clayton, Raleigh, and other points, the Commission concludes that the business and demands are not such as to justify the establishment of a telegraph office by defendant at present. Case was dismissed.

March 14, 1898.

CITIZENS OF MORGANTON

vs.

WESTERN UNION TELEGRAPH COMPANY.

This was a petition by the citizens of Morganton, complaining of the great inconvenience caused by the present location of the telegraph office at Morganton, and asking that the Commission issue an order requiring an up-town office to be established.

Petitioners allege that the present office is located about one-fourth mile from the business portion of the city; that if an office was established in a convenient place up town the receipts of the office, in their opinion, would increase at least fifty per cent; petitioners propose to furnish a centrally located and suitably equipped office, furnish operator, giving careful and competent attention

for one-fourth of the receipts, the company to allow \$5 per month for messages.

Served on defendant January 15, 1898, and answer filed on January 22, 1898, through J. B. Tree, Superintendent of defendant company, declining to grant the petition on the grounds that it would be a loss to the company to make the change, and alleging that the office was as well located at the depot as if up town.

The case was set for hearing March 15, 1898, when defendant appeared and presented witnesses who testified as to the cost of operating the office, the amount of business done, the inconvenience the change of location would be to certain patrons of the office, etc. Letters were also filed from some of the patrons of the office, stating that the present location was satisfactory to them.

The Commission was of the opinion that the petition should not be granted, and it was ordered that same be dismissed.

March 15, 1898.

CHARLOTTE OIL AND FERTILIZER COMPANY TO THE COMMISSION.

Fertilizer Rates.

The Commissioners issued an order reducing very materially the freight rate on fertilizers and making a uniform rate, but raising the minimum car-load from 10 tons to 15 tons. Petitioners, who are manufacturers of fertilizers, ask that the minimum be reduced to 10 tons per car load.

The Commission replied to petitioners that the matter had been thoroughly considered at a previous meeting, at which a number of fertilizer manufacturers were present, and that no objection was raised by them to the 15-ton minimum, but acquiesced in same, and was of the opinion that the petition should be denied.

March 17, 1898.

GLASS BROS.

vs.

CALDWELL AND NORTHERN RAILROAD.

Rate on Lumber.

Plaintiff complained of the rate on lumber over defendant's road as being excessive, that is \$5.75 per car load for 10 miles, and \$6 for 15 miles, and over ten miles.

Plaintiff was advised that the rates complained of were not excessive, and case was dismissed.

March 25, 1898.

Rate on Firewood.

The Commission on March 16, 1898, issued Circular No. 82, fixing a rate on firewood as follows:

FREIGHT RATE ON FIREWOOD.

In car-loads released, loaded and unloaded by shipper, 10 cords, minimum

1 to 10 miles, per cord, 40 cents.

10 to 15 miles, per cord, 45 cents.

15 to 30 miles, per cord, 50 cents.

30 to 40 miles, per cord, 55 cents.

40 to 50 miles, per cord, 60 cents.

Applicable to all roads.

To this rate the various roads in the State filed exceptions, setting out in part:

First. That the rates in force at the time of the promulgation of said Circular No. 82 are not unreasonably high, but, on the contrary, are already lower than is reasonable to the carrier.

Second. That the rates promulgated in said Circular No. 82 are not just and reasonable, and are unreasonably low, in that they will fail to yield the railroad companies a reasonable return for the service expected to be rendered therefor.

Third. For that there is no general demand among shippers of firewood in the State of North Carolina for a reduction of the rates in force at the time of the promulgation of said Circular No. 82; but that, on the contrary, the shipment of firewood at such rates continues to be and has been generally and without restraint ever since the said rates in force at the time of the promulgation of said Circular No. 82 were made effective.

Fourth. That the rates promulgated by the Commission by a previous order, and now in effect, are unwarranted and unreasonably low, and lower than the rates effective in adjacent States, as comparative tables, which are filed, show.

At a session of the Commission, March 29, after a very careful investigation and consideration, it was adjudged that the present rate in effect on firewood is sufficiently low, and that the exceptions of defendants be sustained. Circular No. 82 is rescinded.

March 29, 1898.

THE WAXHAW DRUG COMPANY

vs.

GEORGIA CAROLINA AND NORTHERN RAILWAY COMPANY.

Lost Freight.

Plaintiff claimed damage to the amount of \$5.63 for loss of one can of oil shipped from Richmond, Va., and billed to Waxhaw, N. C., and of which defendant and connecting lines fail to show delivery.

Complaint was served on defendant, with request to make settlement.

At a session of the Commission held March 29, 1898, it appearing that the damage claimed had been paid to plaintiff, case is dismissed.

March 29, 1898.

SHARP & CO.

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Overcharge.

This was a complaint for overcharge on shipment of marble from Roxboro to Dunn.

Complaint was filed and served March 14, 1898, and answer thereto filed March 28, 1898, through H. M. Emerson, General Freight Agent of defendant company, saying that the overcharge had been refunded.

At a session of the Commission March 29, 1898, it appearing that the overcharge had been refunded, and no further redress asked by plaintiff, case was closed.

March 29, 1898.

E. A. JOHNSON, JOHN C. DANCY, R. H. W. LEAK et al.

vs.

SEABOARD AIR LINE AND SOUTHERN RAILWAY.

Discrimination in Matter of Station Accommodation for White and Colored People.

Complainants, who are citizens of the city of Raleigh, filed complaint before the Commission, as follows:

First. That the aforesaid railroad companies (corporations operating in North Carolina) own jointly a depot at Raleigh, N. C., in which there is a waiting-room set apart and designated especially for colored passengers, and that said waiting-room is not equal in its appointments and accommodations to that set apart and designated for white passengers; that it is very inferior and the most poorly equipped room at the depot, being dark and ill-ventilated.

Second. That some of the inequalities complained of consist in the fact that there are seats enough in the said waiting-room for only twelve persons. That one row of those seats face the water-closets and located within but a few feet of said water-closets; and when the doors of said water-closets are opened by people going in and out the urinals and stools in said closets are plainly exposed to all persons in the room who are facing west, there being no screen or partition whatever; and that in warm weather the odor of the closets enters into the waiting-room; that one of the said closets is marked "for men," and that it is used by railroad hands and the public around the depot "ad libitum." That convicts and insane people are allowed in said room; and that the seats are so arranged that when such people are in there, lady passengers must sit next to them or immediately back of them.

Third. That the colored lady passengers are not allowed to go into the general ladies' waiting-room, and that on several occasions insulting, harsh and rude language has been used to ladies who refused to go into said "colored waiting-room"; and that a number of colored ladies (passengers) have been

compelled to stand out in the cold winter weather or accept those worse than second-class accommodations, after purchasing first-class tickets; that the depot officials have on several occasions ordered colored lady passengers out of the first-class waiting-room in an insulting manner; and when they refused to go a policeman was called in to arrest them.

Fourth. That the accommodations of said waiting-room are no better than second-class accommodations on the railroad cars; and that colored passengers who buy first-class tickets are refused first-class depot accommodations; and that by both the aforesaid railroads, colored and white first class passengers are given the same accommodations on the cars, but denied equal accommodations at the said depot.

Fifth. That your petitioners ask for equal accommodations at the above-named station.

This complaint was served on defendants, who answered as follows:

The Southern Railway, answering the complaint, says:

I. That it admits the allegations of paragraph 1.

II. That the allegations of paragraph 2 are somewhat highly colored; but it admits that the accommodations in the colored waiting-room are not satisfactory.

III. It denies, upon information and belief, any harsh action or rude language on the part of the employees at the station; it admits that the regulations in force for the exclusion of colored passengers from the waiting-room set apart for white passengers have been enforced, but without harshness or rudeness.

And for further answer, this defendant saith:

IV. That the separation of the races in the waiting-rooms at the depot is in accordance with the general public sentiment prevailing in the South; this separation entails considerable trouble and expense upon the transportation department, requiring the furnishing of double accommodation, and it is difficult to arrange such waiting-rooms so that all intending purchasers may have equal access to the ticket office.

V. That this defendant has been at all times and still is ready to make such changes in the waiting-room at Raleigh as shall remove all reasonable ground of complaint, and which shall be acquiesced in by the officials of The Seaboard Air Line, who are tenants in common with this defendant in the ownership and management of the said station at Raleigh; that the correspondence, copies of which are hereto attached, shows the action and disposition of this defendant, and shows why the negotiations concerning the alterations were not brought to an issue. This correspondence is prayed to be taken as a part of this answer.

Wherefore, this defendant declares its willingness to carry into effect any reasonable and proper regulation made by the Railway Commissioners in regard to the accommodations for the use of the respective races at the depot in Raleigh.

The answer of the Seaboard Air Line is as follows:

These respondents have read the answer filed by their co-respondent, The Southern Railway Company, and adopt the same as their own. Admitting that the present arrangements are not entirely satisfactory to the colored people, they aver that the same are at present reasonable and good; and the accommodations for the colored people are not so large, because they constitute about half or less than half in number than the white passengers who are in the habit of using said station.

This respondent is entirely willing to take the matter up with its co-respondent, and with it make any reasonable and just changes in said arrangements.

This matter was called for hearing, and the respondents expressing a willingness to make satisfactory changes, it was agreed that defendants would meet a committee of the colored people at the Union Depot and endeavor to come to a satisfactory agreement as to the changes that should be made.

This matter was continued from time to time for the committees to make their report; and when made it was found that no satisfactory agreement could be reached, the defendants submitting a plan of changes and complainants counter-plans.

At a session of the Commission March 29, 1898, this case was called; and it appearing that no plan could be agreed upon, the Commissioners, after a careful consideration of the plans submitted, conclude that the one submitted by defendants, which is filed in this office, should be satisfactory to the petitioners, and it was ordered that the changes be made accordingly.

March 29, 1898.

STATE OF NORTH CAROLINA ON THE RELATION OF THE RAILROAD COMMISSIONERS.

Passenger Rates.

This was an action on the part of the Railroad Commissioners, taking into consideration the question of a reduction of the passenger rates.

At a session of the Commission on January 15, 1898, it was ordered that notice be served on The Atlantic Coast Line System, Southern Railway and Seaboard Air Line Systems of roads to show cause, if any, before the Railroad Commissioners, at its office in Raleigh, N. C., on the 25th day of January, 1898, why the fares for the transportation of passengers over certain portions of their roads should not be reduced.

On January 25, 1898, this matter was called, when the representatives of the different roads were present and heard at considerable length, and an examination of witnesses.

The case was continued to February 21, when an order was issued in these words:

CIRCULAR No. 80.

From and after the 23d day of March, 1898, the fares for the transportation of passengers shall be as follows:

Two and one-half cents per mile for first-class tickets; two cents per mile for second-class tickets on the following railroads in North Carolina, to-wit:

The Wilmington and Weldon Railroad from Wilmington to Weldon, and that part of The Wilmington and Weldon road from Contentnea to the South Carolina State line; The Petersburg road from Weldon to the Virginia State line; that part of the Tarboro branch from Rocky Mount to Tarboro, and The Norfolk and Carolina Railroad from Tarboro to the Virginia State line; The Raleigh and Gaston Railroad from Weldon to Raleigh; The Seaboard and Roanoke Railroad from Weldon to the Virginia State line, and The Raleigh and Augusta Air Line from Raleigh to Gibson. The North Carolina Railroad from

Goldsboro to Charlotte; The Piedmont Railroad from Greensboro to the Virginia State line; that part of The Northwestern North Carolina Railroad from Greensboro to Winston; The Western North Carolina Railroad from Salisbury to Paint Rock; The Atlantic, Tennessee and Ohio Railroad from Charlotte to Statesville; The Atlanta and Charlotte Air Line Railroad from Charlotte to the South Carolina State line, and The Charlotte, Columbia and Augusta Railroad from Charlotte to the South Carolina State line.

To this order exceptions were filed, heard and overruled, but on further consideration were sustained and Circular No. 80 rescinded.

March 29, 1898.

JOHN TULL

vs.

PULLMAN'S PALACE CAR COMPANY.

Complaint of Pullman Service.

Plaintiff alleged negligence on the part of defendant for failure to open its outer car doors on arriving at stations and furnishing steps at places where necessary for the convenience of entering same.

Complaint was read at a session of the Commission March 30, 1898, and the following order was issued:

"The following is adopted by the Railroad Commission, to take effect at once, and to be added to the rules governing the transportation of passengers already by the Commission.

RULE 18.

"It shall be the duty of The Pullman Car Company, at all stations, on the stopping of trains, to have the doors of their cars open for the reception of passengers and require the porter to keep a step ready for the convenience of passengers desiring to enter."

March 30, 1898.

BEAUFORT LITTLE NECK CLAM COMPANY

vs.

ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY.

Lost Freight.

Plaintiff alleged a shipment of canned oysters from Beaufort to Durham, which defendant had failed to deliver, and demands that an order be issued requiring that claim be paid.

Copy of complaint was served on defendant, with request to satisfy plaintiff.

At a session of the Commission April 20, 1898, it appeared that satisfactory adjustment had been made with complainant, and case was dismissed.

April 20, 1898.

vs.SOUTHERN RAILWAY AND WILMINGTON AND WELDON RAIL-
ROAD COMPANY.*Train Connection.*

This was an action on the part of the Commission requiring a connection at Selma between No. 15 Southern Railway train, leaving Selma at 2.35 p. m., and Wilmington and Weldon train No. 23, leaving Selma at 3.15 p. m.

Defendants answered that the connection had been made by the quickening of train No. 15 of Southern Railway 23 minutes, and the holding back of train No. 23 the same number of minutes.

At a session of the Commission April 28, 1898, it appearing that a satisfactory connection had been made, the matter was closed.

April 20, 1898.

FORKNER, REDMAN & CO.

vs.

CAPE FEAR AND YADKIN VALLEY RAILROAD COMPANY.

Lost Freight.

This was a complaint for damage, on the grounds that defendant had receipted for and contracted to transport a lot of tobacco from Pilot Mountain to different points in Georgia, and after a reasonable time had failed to show delivery.

This complaint was served February 3 1898; and on February 5, 1898, answer was received through W. E. Kyle, General Freight Agent of defendant company, saying that the claim would be promptly adjusted.

At a session of the Commission April 20, 1898, this case was called, and it appearing that the claim of plaintiff had been satisfactorily adjusted, and no further relief was sought, was dismissed.

April 20, 1898.

R. L. STROWD

vs.

SOUTHERN RAILWAY.

Overcharge.

Complaint for overcharge on shipment of cow from Chapel Hill to Coffeetown, Miss.

Served on defendant December 29, 1897.

At a session of the Commission, April 20, 1898, it appearing that defendant had refunded the overcharge, case was closed.

April 20, 1898.

JAMES A. SAUNDERS

vs.

SOUTHERN RAILWAY.

Damage.

Plaintiff alleged an unusual delay in the transportation of car-load of fertilizers from Wilmington to Selma, and that he sustained a loss of eight dollars.

Complaint was served on defendant March 24, 1898, and on April 1, 1898, answer was filed, saying that the amount of damages claimed would be paid.

At a session of the Commission April 1, 1898, it appearing that the plaintiff had received from defendant amount of claim, and that no further relief was asked, case was closed.

April 22, 1898.

GARNER, McNEAL & CO.

vs.

SEABOARD AND ROANOKE RAILROAD COMPANY.

Overcharge.

Complaint for overcharge on shipment of furniture from Raleigh to Garysburg.

Freight Claim Agent of defendant company, on receipt of copy of complaint, answered that the matter would be taken up with plaintiff for adjustment. Plaintiff was advised that if overcharge was not refunded promptly, to furnish the Commission with freight receipt and bill lading and the matter would have attention.

At a session of the Commission April 22, 1898, no further communication having been received from plaintiff, case was closed.

April 22, 1898.

STANDARD GROCERY COMPANY OF LOUISBURG

vs.

LOUISBURG RAILROAD.

Guaranteed Rates of Bill of Lading.

Plaintiff alleged inconvenience and annoyance by the failure on the part of defendant to deliver freight at the rate of freight as guaranteed on bill of lading, and asks for a ruling in matters of this kind.

Plaintiff was advised that the railroad company should deliver shipments of freight at the rate mentioned in bill of lading unless it can be shown that the rate is an error or initial carrier had no authority to bind connecting carriers.

On all shipments originating and terminating in this State, the order of the Commission is as follows:

"That all railroad companies in this State shall, on demand, issue duplicate freight receipts to shippers, in which shall be stated the class or classes of freight shipped, the freight charges over the road, giving the receipt, and so far as practicable shall state the freight charges over the roads that carry such freight. When the consignee presents the railroad receipt to the agent of the railroad that delivered such freight, such agent shall deliver the articles shipped, upon payment of the rate charged for the class of freights mentioned in the receipts."

Copy of Circular No. 77, which provides that railroad companies shall settle within thirty days all claims for loss, damage or overcharge, was also mailed plaintiff.

April 26, 1898.

GLASS & WALKER
vs.
SOUTHERN RAILWAY.

Overcharge.

This was a claim for overcharge of \$22.06 on car-load of machinery from Columbus, Ohio, to Randleman, plaintiff's place of business.

Thirty nine cents per one hundred pounds was inserted in bill lading as being the through rate to Randleman, and amount of freight bill was \$112 54.

Upon investigation it appeared that the shipment of machinery originated beyond Columbus, and that the charge of \$22.06 was in addition to the advanced charges paid on the machinery, and the rate of 39 cents was only from Columbus, Ohio, to Randleman.

It appearing that there was no overcharge, case was dismissed.

May 16, 1898.

SOUTHERN EXPRESS COMPANY.

Rate on Fish.

On February 24, 1898, the Commission, having under consideration the matter of a revision of rates on fish from eastern points to all North Carolina points, addressed a communication to W. J. Croswell, Superintendent of The Southern Express Company, requesting him to be present at a session of the Commission, to be held at Raleigh on March 15, 1898, and show cause, if any he had, why the schedule of freight charges on fish should not be lowered.

At a session of the Commission April 20, 1898, this case was called, when W. J. Croswell, Superintendent, appeared for defendant, and several shippers of fish from Morehead City, New Bern and Beaufort were examined touching the matter. Superintendent Dill, of Atlantic and North Carolina Railroad, was also present.

Superintendent Croswell stated that his company was unable to make any lower rate than the rate in effect, on account of its contract with The Atlantic and North Carolina Railroad; but that if he could get such a contract from The Atlantic and North Carolina Railroad as his company had with other roads of the State, a lower rate could be granted; and asks that the matter be continued, that a conference might be had with The Atlantic and North Carolina people with a view of effecting an agreement by which the rates would be reduced.

Continued until May 16, when the case was called, and no report having been received from the Superintendent of Southern Express Company as to conference with Atlantic and North Carolina Railroad, it was ordered that a rate be made on fish as follows:

CIRCULAR NO. 88.

From and after June 8, 1898, rates on fish by The Southern Express Company from Morehead City and New Bern to offices in North Carolina shall be as follows:

Group 1, 55 cents; Group 2, 85; Group 3, \$1.05; Group 4, \$1.25; Group 5, \$1.40; Group 6 \$1.55; Group 7, \$1.75; Group 8, \$1.95.

Boxes, dimensions, offices and group, as appear in rate sheet No. 408 of Southern Express Company, bearing date February 1, 1897.

To this order The Southern Express Company, through its Traffic Manager, protests against the enforcement of Circular No. 88, saying:

"Some time since we understood that the desire of the Commission was to secure the cooperation of the Express Company in reducing some of the rates on inter-state business. Of course to do this we have to secure the concurrence of our connecting companies.

It is no doubt well understood that in the State of North Carolina, as well as elsewhere, we have contracts with the roads over which we have facilities, and these contracts alone are the basis of the facilities which we obtain from the railroads, and also the basis of our compensation to the railroads.

The fish business from Newbern and Morehead City must start by express over the Atlantic and North Carolina Railroad--a road controlled by the State of North Carolina.

On that road we pay specifically on each box, and we charge specifically according to the weight, bulk, etc.

It is a matter of fact that our gross receipts on the Atlantic and North Carolina Railroad have not paid our gross expenses on that line of road.

Our company has a very strong desire to develop the fish traffic. We have taken great interest in the promulgation of information which would be to the interest of the shippers, and we have always been desirous of working in accord with the shippers, and doing justice to all interests.

I do not know who has complained of our rates, nor what the grounds of complaint may be. I do not know who it is that wants a reduction in the rates, nor for whom this reduction is made.

The North Carolina Commission, like other State Railroad Commissions, has decided that railroad companies may charge one and one-half times their first-class freight rates for all matter carried on passenger trains. Fish is rated as first-class. Therefore the express rates should represent one and one-half first-class freight rates for transportation on the railroad, besides a price for the express service over and above that performed on the trains.

It costs the Express Company about forty-five per cent of its gross earnings for its expenses entirely independent of its railroad transportation charges.

We do not wish anything done to vitiate our contracts with railroads. You understand the reductions already made, by the former Board. Where the rate was \$2.00, it was cut to \$1.80; where it was \$1.50, it was cut to \$1.35.

To-day our rates to Durham are only one and one-half times the freight train rates. To Fayetteville, N. C., it is the same.

But to Franklinton, for illustration, we find that the act of the former Board made the rates less than one and one-half times the freight train rate.

The rates to the following are as low as they could be made on any reasonable or equitable hypothesis, viz: Halifax, Henderson, Greensboro, Laurinburg, Littleton, Maxton, Monroe, Mt. Airy, Raleigh, Rocky Mount, Salem, Tarboro, Weldon, Wilmington, Wilson.

There has been an expression of desire for lower rates on inter-state business, and it has been our hope to do something in behalf of the shippers on this part of the business, but we would not feel that we had any latitude to do so with any reductions on the intra-state business.

Any reduction, however, in rates from Morehead City and Newbern by express should involve a reduction by the railroad company to the express company, for thus the State of North Carolina speaks as to what we should charge and what we should pay.

I would cite, for illustration, a box of 100 pounds of fish from Morehead City to Asheville, N. C. We pay the railroads \$1.15. The difference between that and what we earn, \$2.00, is 85 cents now; and 85 cents out of \$2.00 does not pay its average of our expenses outside of transportation.

This rate of \$2.00 is a reduced rate. The Commissioners reduced our former rate 10 per cent. They thus cut off our margin. I merely mention this for illustration.

I do not know whether it is the fish shippers or the consumers who complain of the rates, but I apprehend that on a proper showing it will readily be seen that the carrier has not received an excessive rate in any case, and in some cases the rates are too low, as the rule of the Commission really took off all of our margin in many cases.

Our rate to Goldsboro is 70 cents; then when we charge \$1.35 to Durham, it means 70 cents to Goldsboro and 65 cents from Goldsboro to Durham. When we charge \$1.35 to Fayetteville, it means 70 cents to Goldsboro, and 65 cents from Goldsboro to Fayetteville. To Raleigh the through rate includes 45 cents from Goldsboro to Raleigh. Also 45 cents from Goldsboro to Rocky Mount," etc., etc.

The Commission, after further consideration and investigation, finding that the fish dealers are interested in a lower rate to points outside of the State, as well as to points within the State, modifies its former order and adopts rates as follows for North Carolina points, with the understanding that the rates hereinafter mentioned to Northern points shall be put in effect. Rates as per circulars Nos. 90 and 91.

W. C. COLEMAN TO THE COMMISSION.

Free Transportation.

Plaintiff, who is Secretary and Treasurer of the Coleman Manufacturing Company at Concord, N. C., asks that the Commission consent that the Seaboard Air Line may issue to him a free pass over their line of roads for the purpose of visiting the stockholders of the company, who are scattered over the State.

This mill is being built for the colored people, and many private subscriptions have been given for the object.

At a session of the Commission May 16th, a communication was addressed to plaintiff that a recent order of the Commission declared the issuance of free passes unlawful, and in this case no exception could be made.

May 16, 1898.

NOELL BROS.

vs.

NORFOLK AND WESTERN RAILROAD CO.

Lost Freight.

Plaintiff filed complaint for damage, alleging a consignment of pants for which a bill of lading is held, agreeing to transport to Randleman in good order, and that defendant has failed to deliver or to pay the loss sustained.

Complaint was served on defendant April 25, 1898, with enclosure of Circular No. 77, which reads as follows:

"Whenever any goods, or articles of freight of any kind, shall be received by any common carrier in this State, to be delivered to any consignee in this State, and a portion of same shall not have been received at the place of destination, the carrier shall not demand any part of the charges for freight or transportation due for such portion of the shipment as shall not have reached the place of destination. And in case of loss, damage or overcharge of such freight, if the consignee present his bill of lading and the original invoice to the agent of the company at place of destination of such goods, within thirty days after notice of the loss, damage or overcharge, and said company fails or neglects to deliver to the consignee the goods lost or damaged, in good order, or refund any overcharge, for thirty days after such notice, then such company shall be liable for the value of such goods lost or damaged or overcharged. The carrier shall be required to deliver to the consignee such portion of the consignment as shall have been received, upon the payment or tender of freight charges due upon such portion, as provided in chapter 495, Laws 1893."

On May 16, 1898, the defendant answered that a voucher had been made in favor of complainant for amount of damage claimed.

At a session of the Commission June 8, 1898, it appearing that plaintiff was satisfied, case was closed.

June 8, 1898.

W. B. AUSTIN

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Lost Freight.

Complaint of damage for lost freight.

Complaint served on defendant with copy No. 77 of rule of Commissioners relative to settlement of claims for lost freight.

At a session of the Commission June 8, 1898, it appearing that the relief demanded had been granted by the defendant, and that no further investigation was required, the case was closed.

June 8, 1898.

ROBINSON AND COMPANY

vs.

WESTERN UNION TELEGRAPH COMPANY.

Overcharge.

Complainants filed complaint April 29, 1898, alleging as follows:

1. That the Western Union Telegraph Company has established at Elizabeth City, along the Norfolk and Southern Railroad, a telegraph line.

2. That Guirkin & Company has a telegraph line running from Norfolk to this place as the Elizabeth City and Norfolk Telegraph Company.

3. That there is a contract, as the complainants are informed and believe, between the said Western Union Telegraph Company and the said Elizabeth City and Norfolk Telegraph Company, which is operated by Guirkin & Company, by which the said Elizabeth City and Norfolk Telegraph Company represents the said Western Union Telegraph Company and has connection with the same for sending of messages over its line. That the said Western Union Telegraph Company has a line running to Belle Haven, N. C., which is a continuous line between Elizabeth City, N. C., and Belle Haven, N. C., as they are informed and believe.

4. That the complainant, on the 26th day of April, 1898, delivered a ten-word message to the said Elizabeth City and Norfolk Telegraph Company to be sent over the lines of the Western Union Telegraph Company to Belle Haven, N. C., and the said Company required the complainants to pay fifty cents (50) for the transmission of the message, which is a violation of the rights prescribed by the Railroad Commission of North Carolina, a copy of which telegram is marked Exhibit "A" and made a part of this complaint.

5. That the said Western Union Telegraph Company at this place refuses to take a message over its line except through the Elizabeth City and Norfolk Telegraph Company.

That the said Western Union Telegraph Company has an office at Elizabeth City, N. C., which it claims to be operated by the Norfolk and Southern Rail-

road Company, and by reason of the contract between itself and the said Elizabeth City and Norfolk Telegraph Company, it declines to receive the messages at that office and requires messages to be sent through the Elizabeth City and Norfolk Telegraph Company. That the Elizabeth City and Norfolk Telegraph Company, as these complainants are informed and believe, are the agents under their contract for the Western Union Telegraph Company to send its messages, and that the charge of 50 cents is contrary to law, and unjust to these complainants.

Wherefore, complainants ask the honorable members of the Railroad Commission of North Carolina to require the said Company to comply with the rates fixed by the said Railroad Commission, as set out by the rulings of the said Railroad Commission and confirmed by the Supreme Court of North Carolina in the case of Leavell versus Western Union Telegraph Company, in the 116th North Carolina Reports, page 211.

Answering this complaint, defendant alleged that it had no through line to Belle Haven, but that messages from Elizabeth City to this point had to be transmitted via Norfolk, Va., and connecting at Plymouth with a line to Belle Haven, which is owned and controlled by another company, and that there is no wire from Edenton to Belle Haven, between which Albemarle Sound, nine miles, intervenes.

At a session of the Commission June 8, 1898, it appearing that defendant had no through line of its own from Elizabeth City to Belle Haven, the rate of 25 cents for a message does not apply, but that the joint rate should apply—that is, 40 cents for a joint message of ten words—and it was adjudged and so ordered that defendant refund to plaintiff 10 cents, the amount of overcharge. Case closed.

June 8, 1898.

KINCAID BROS.
vs.
SOUTHERN RAILWAY.

Rate on Lumber.

Plaintiffs allege discrimination in freight rates on lumber from Plotts, N. C., to Danville, Va., in favor of Cleveland and other points, and asks that it be corrected.

Defendant answering the complaint, files a rate of 9 1-2 cents per 100 pounds, car load lumber, 24,000 pounds minimum, from Plotts, N. C., to Danville, thus correcting the discrimination and, being satisfactory to complainant, case is closed.

June 28, 1898.

RAMSEY AND LANCE

vs.

SOUTHERN RAILWAY.

Overcharge.

Complainants allege a freight charge of 50 cents on a package shipment weighing 20 pounds, shipped from Knoxville, Tenn., to Marshall, N. C., plaintiff's place of business.

Defendant was notified that the shipment was overcharged 25 cents, and should be refunded.

At a session of the Commission June 28, 1898, it appearing that the overcharge had been refunded, and no further action was asked, the matter was closed.

June 28, 1898.

SOUTHERN EXPRESS COMPANY TO THE COMMISSION.*Petition for Revision of Rates.*

Petitioner, through its Traffic Manager, Chas. L. Loop, filed petition on July 12, 1898, asking that the Commission consent to a revision of its express rates over the railroad lines in North Carolina, on the following grounds:

"Some of the merchandise express rates now in use in North Carolina are less than one and a half the railroad freight rate. Inasmuch as it is provided that the railroads themselves may charge on passenger trains one and a half times the charge on freight trains, etc., I ask your approval to revise our rates in such few cases as may be necessary."

Petitioner files a statement of comparison of the freight rates over the lines of all the railroads with that of the express rates

At a session of the Commission July 12, 1898, this petition was read and considered, and it was the opinion of the Commission that the relief sought ought not to be granted, and it was ordered that the petition be dismissed.

July 12, 1898.

FREE PASSES.

The Commission, in regular session, passed the following order:

ORDER No. 95.

Whereas, the Supreme Court of North Carolina has declared the issuing of free passes to certain persons illegal; and whereas this Commission is charged in part with the enforcement of the law;

Therefore, it is ordered that each of the railroad, steamboat, telegraph and telephone companies doing business in this State shall furnish to the said Commission, on or before August 15, 1898, a sworn list of the names of all persons or firms who now hold free passes or franks, as attorneys, agents or adjusters of claims against said companies, respectively.

In compliance with this order, all the railroad companies called upon filed in the office of the Commissioners lists of free passes issued.

July 13, 1898.

CITIZENS OF LEXINGTON
vs.
SOUTHERN EXPRESS COMPANY.

Petition for Uptown Express Office.

This was a petition from the citizens of Lexington asking that the Commission issue an order requiring the Southern Express office to remove from the depot, the present location, to some suitable and more convenient place in the business part of the town.

Petitioners allege that the distance from the business part of the town to the said depot is about one-quarter of a mile. That the street leading to said depot is very muddy at times, and very inconvenient to the people. That the accommodations at said depot are not satisfactory.

Copy of complaint was served on defendant, with request to grant the petition or to answer.

Answer was filed through O. M. Foster, Superintendent of defendant company. Defendant desired a day set for hearing, and that he was of the opinion that he would be able to produce such facts and surroundings as would convince the Board that the present location was more suitable than any contemplated location, both as to the convenience for the public and the company.

At a session of the Commission, July 29, 1898, this case was called for hearing, when defendant was represented by the Superintendent of defendant company.

A counter petition was also read from the citizens of Lexington objecting to the removal of the express office as petitioned for, on the ground that the present location would accommodate more people.

After a careful investigation, and considering all the facts presented in this case, the Commission was of the opinion that the petition of petitioners ought to be granted, and it was so adjudged and ordered that defendants remove the express office and locate the office at some convenient point uptown.

July 29, 1898.

CITIZENS OF MOUNT AIRY
vs.
WESTERN UNION TELEGRAPH COMPANY.

Petition for Uptown Telegraph Office.

Petitioners, on June 10, 1898, filed complaint and petition, and asked that defendant be required to extend its line and establish an office at a convenient point in the business portion of the town.

Petitioners allege that the present location of the office is situated from one-half to three-fourths of a mile from the business portion of the town, at the extreme western limit of the corporation.

"That on account of the distance from the manufacturing establishments, business concerns and hotels, telegrams are necessarily delayed in delivery both to and from the said office, to the inconvenience and hurt of our people and the public generally."

Complaint was served June 13, 1898, and answer thereto filed through R. C. Strong, attorney, denying all the allegations of the petitioners, and further answering says:

1. The distance between the telegraph office as at present located and the business portion of the town is not as great as stated in the first paragraph of said petition.

2. That the second paragraph of the petition is not true.

3. That the third paragraph of the petition is not true.

4. That to operate the office as requested by the petition would cause the said company to operate at a loss, which the Commission has no right or power to do, in that it would be a violation of the Constitution of North Carolina and of the United States:

- (1) That it would be in violation of the provisions of the Fifth Amendment to the Constitution of the United States by taking the property of said company for public use without just compensation.

- (2) That it would be in violation of the provisions of sec. 1 of the Fourteenth Amendment to the Constitution of the United States in depriving said company of its property without due process of law and without just compensation, and would deny said company the equal protection of the laws.

- (3) That it would be in violation of the provisions of sec. 8 of Article I of the Constitution of the United States.

- (4) That it would be in violation of the provisions of the Act of Congress of the United States, passed July 24, 1866, entitled "An act to aid in the construction of telegraph lines and to secure to the Government the use of the same for postal, military and other purposes," being secs. 5263 and 5268, inclusive, of the Revised Statutes of the United States.

- (5) That it would be in violation of the provisions of the Constitution of the United States.

- (6) That it would be in violation of the Constitution of North Carolina in this, that it would deprive the said company of its property without due process of law, and would deprive it of the equal protection of the laws.

- (7) That already having an office in the town of Mount Airy, the Commission are without authority to cause the same to be changed.

Wherefore, the said The Western Union Telegraph Company prays the Honorable Board of Railroad Commissioners for the State of North Carolina, that the said petition be dismissed, and that the said company be not ordered to open the said up-town office requested in the said petition, but that, to the contrary, the said company be permitted to keep the Mount Airy telegraph office where it is now located.

July 30, 1898.

This case was heard at a session of the Commission June 28, 1898, when R. C. Strong appeared as counsel for defendant. Witnesses were examined, and after argument of counsel, and consideration, it is ordered that The Western Union Telegraph Company establish in the town of Mount Airy, North Carolina, an up-town telegraph office on Main street, or some point more convenient for the people of said town, on or before the first day of August, 1898.

To this order defendant filed exceptions. Exceptions are overruled, and defendant appeals to the Superior Court.

ZIMMERMAN AND DAVIS

vs.

SOUTHERN EXPRESS COMPANY.

Damage to Bicycle.

Plaintiff filed complaint May 18, 1898, alleging damage sustained to bicycle in transit from Indianapolis to plaintiff's place of business, at Morganton, N. C., to the amount of \$5, and asks that the Commission issue its order requiring defendant to pay for the loss sustained.

Complaint served, and answer filed through W. J. Croswell, Superintendent, saying that a settlement had been made with complainant.

At a session of the Commission July 30, 1898, it appeared that the claim of plaintiff had been settled, and that no further relief was asked; closed.

July 30, 1898.

PULLMAN'S PALACE CAR COMPANY.

Assessment and Taxation.

This was a hearing upon exceptions of Pullman's Palace Car Company to the valuation placed upon the property of said company for taxation.

The Commissioners at a session June 29, 1898, had placed upon the cars of this company, most of which were on cars passing through the State, a valuation of \$250,000, which was an increase over the former valuation of the Board from \$96,000.

Defendant filed, through its attorneys, Messrs. J. C. L. Harris and Guthrie & Guthrie, affidavit of the Secretary of the company, alleging:

That it is a corporation duly organized and existing by virtue of the laws of the State of Illinois. It was chartered and organized primarily as a manufacturing corporation, with special grants of power in its charter to do other things, among which is the business of furnishing to railroad companies cars for use in operating their railroads. It furnishes some such cars to certain railroad companies running into and through the State of North Carolina, under agreements made with such railroad companies outside the State of North Carolina. All of said cars so furnished to such railroad companies, except one, are used by such railroad companies in interstate business. There is one car which is used wholly within the State of North Carolina, that is between Wilmington, North Carolina, and Wilson, North Carolina. All of the other cars are used from points outside the State into or through the State.

In the regular course of business not more than a certain portion of these cars so used by railroad companies into and through the State of North Carolina may be said to be constantly within the State of North Carolina and subject to the jurisdiction of that State for purposes of assessment and taxation. Such portion would not exceed that proportion of the total number of all of the cars required to fill all of the lines running into or through the State of North Carolina which the mileage within the State of North Carolina bears to the total mileage of all of said lines; and this company has heretofore submitted to your Honorable Board a sworn statement showing the number of each line of sleeping-cars used by railroad companies running into or through the State of North Carolina, the points between which such line of sleeping-cars runs, the total number of miles of such line, the number of cars required to operate such line, the total value of the cars used in such line, the number of miles of such line within the State of North Carolina, and the proportional value of the sleeping cars used in such line due to the State of North Carolina upon a mileage basis. The result of this report shows such proportion in the State of North Carolina to be equal to 18.32 cars, the full actual value of which is \$5,000 each, amounting in the aggregate to \$91,633.77; and it is respectfully submitted that the only question which your Honorable Board ought to inquire into is the value of said 18.32 sleeping-cars, and such value, as heretofore stated, has been submitted and sworn to by the undersigned.

1. The total authorized capital stock of the company is \$36,000,000, but the whole amount has not been issued.

2. The par value of each share of stock is \$100.

3. This company's cars are used by railroads over 1,278.5 miles of track within the State of North Carolina.

4. The total number of miles of railroad over which this company's cars are used within the United States of America, Canada, Mexico and Europe is 133,482. They are used upon nearly all the railroads in the United States of America, Canada, Mexico and railroads using sleeping-cars in Europe, with the exception of what is known as the "Vanderbilt System" of railroads in the United States of America and two or three railroad systems which use their own sleeping-cars. It would require many pages of writing to give a list of these railroads and their mileage.

5. The actual value of cars used by railroads within the State of North Carolina, as assets of the company, for the use and purpose for which they are intended, is \$6,500 each, which we consider the fair cash value of the cars.

6. The railroad companies collect the fare from passengers for transportation or carriage. This company has no interest whatever in such transportation fare. The Pullman Company collects the charges for reserved seats by day-time and for lodgings at night.

Exceptions of defendant:

Pullman's Palace Car Company, having been notified that the Railroad Commission of North Carolina has made an assessment against said company for the purposes of taxation for the year 1898, upon a property valuation assessed against the property of said company at the sum of two hundred and fifty thousand dollars (\$250,000), excepts thereto upon the following grounds, to-wit:

1. Because said assessment and valuation is excessive, as is shown by the reports, evidence and exhibits submitted to the Commission in support of this contention.

2. Because the said assessment is made upon an erroneous basis, in that it is not confined to a valuation of the property of said company commonly used in North Carolina upon the mileage basis prescribed in chapter 169, Public Laws of North Carolina, 1897, relating to the appraisement of such property for the purposes of taxation, and because said assessment embraces property not within the State of North Carolina nor liable to assessment for taxation therein.

3. Because Pullman's Car Company is not a railroad company, and is not embraced within the provisions of sec. 43, chapter 169, Public Laws of North Carolina, 1897, nor does own or operate any railroad within the State of North Carolina; and said sec. 43 provides for the return for taxation of a railroad company of only Pullman or sleeping-cars owned by such railroad company or operated over its lines.

4. Because sec. 44 of said chapter 169 does not embrace said Pullman's Palace Car Company within its terms, in that the sleeping and dining-cars therein required to be listed or scheduled are such as belong to a person, company or corporation, owning, constructing or operating a railroad in this State; whereas, said Pullman's Palace Car Company, although a corporation, does not own or operate, neither is it engaged in constructing a railroad within the State of North Carolina.

5. Because said Pullman's Palace Car Company, not being a railroad company, or a company such as is designated in sec. 42 of said chapter 169, the Board of Railroad Commissioners has no authority or jurisdiction to appraise the property of said company at all for any purpose of taxation, and, consequently, any appraisement put upon it would be null and void for want of legal authority to do so.

6. Because the aforesaid assessment of the property of said Pullman's Palace Car Company, instead of being confined to a mileage valuation of the actual property owned by said company, is an attempt without authority of law to assess for taxation the capital stock of said company, as by the terms of sec. 46 of said chapter 169 only inter-railroads are included, and by its terms the Pullman's Palace Car Company, not being the owner or the operator of any railroad in the State of North Carolina, the taxation of its capital stock is not included in said section, or anywhere under the sub-heading of "Railroads" in said chapter.

Argument of counsel, J. C. L. Harris and W. A. Guthrie, for defendant, and John W. Hinsdale for the State, is heard; and after consideration, it is ordered that the valuation of the property be reduced from \$250,000 to the same valuation as for the year 1897, that is, \$96,918.15. Case closed

July 30, 1898.

STATE OF NORTH CAROLINA, ON THE RELATION OF THE RAILROAD COMMISSIONERS,

vs.

WESTERN UNION TELEGRAPH COMPANY.

Telegraph Rates.

At a session of the Commission July 12, 1898, orders were issued in these words:

ORDER NO. 92.

Be it ordered, that on and after the 15th day of July, 1898, The Western Union Telegraph Company shall charge for the transmission of any message one cent less than the rate heretofore fixed and approved by the Railroad Commission: Provided, the sender of the message has affixed the stamp required under Act of Congress.

ORDER NO. 93.

Whereas, Section 26 of the Railroad Commission Act prescribes a penalty of not less than \$50 against any telegraph or telephone company doing business in the State, for charging a higher rate for the transmission of any message than that fixed or approved by said Railroad Commission; and

Whereas, The Western Union Telegraph Company has charged and continues to charge a higher rate than that fixed or approved by the Railroad Commission:

Resolved, "That The Western Union Telegraph Company be and is hereby notified to appear before the Railroad Commission on July 29, 1898, and show cause, if any it can, why the penalties incurred for each and every overcharge since the first day of July, 1898, be not enforced."

Resolved further, "That said Western Union Telegraph Company be and is hereby required to produce before said Commission on said 29th day of July, 1898, a sworn statement of the number of messages received at its various offices in the State since July 1, 1898, to date of hearing, wherever any amount has been paid to said company or any agent of said company."

To these orders defendants filed exceptions as follows:

1. That the rates fixed by said orders are not just and reasonable.
2. That if the said company should be required to transmit messages between any two points within the limits of the State of North Carolina at the rates prescribed in said orders, it would entail a loss upon said company in the transmission of such messages.
3. That the said company can not transmit messages between points in the State of North Carolina at the rates prescribed in said orders and derive any profits therefrom.
4. That the said company has a general system of telegraph lines throughout the greater part of the United States, and is engaged in transmitting messages to and from various points in the States and Territories of the United States, and that the lines maintained and operated by it in the State of North Carolina constitute a part of its general system. That the rates prescribed by said orders, if enforced, would be a reduction of 40 per cent and more in the rates charged and received by said company for messages transmitted between points in the

olina Railroad scale, and if you will kindly grant your approval, we will proceed to have the tariff printed and put in effect in anticipation of the new cotton year."

At a session of the Commission August 30, 1898, this petition was considered, and it appearing that a revision of the cotton rate as petitioned would be more uniform and satisfactory, it was ordered that the petition be granted.

August 30, 1898.

NORTH CAROLINA FARMERS ALLIANCE TO THE COMMISSION.

Minimum Car Load on Fertilizers.

This was a petition from the North Carolina Farmers Alliance asking the Commission to reduce the minimum car-load on fertilizers from 15 tons to 10 tons.

At a session of the Commission August 30, 1898, this petition had a very careful consideration, and a letter was addressed to petitioners as follows:

"It is the opinion of the Commission that no further reduction should be made in the freight rates on fertilizers at the present time, as the rate was only recently reduced at an average of about 20 per cent, and it was done in the interest of the farmers, and it was the understanding when the rates were reduced on fertilizers that the railroads would acquiesce in same, and the Commission felt that it was nothing but just and right that the railroads should be given the advantage of a 15 ton minimum. For the present at least your petition is denied."

August 30, 1898.

ABERDEEN AND ROCK FISH RAILROAD COMPANY TO THE COMMISSION.

Joint Rates.

This was a petition asking to be relieved from the provision of Rule No. 28, which provides "That on all shipments of freights not governed by Rule 1, originating and terminating in this State, which shall pass over the whole or portions of two or more roads, not under the same control, the maximum rates charged shall be the same of the two locals on such freight, less ten per cent, for the distance hauled over each road."

Plaintiff asks this concession on the grounds that his is a local road engaged principally in hauling lumber, and that the existing rate is now more than 10 per cent less than the standard rate of the Commission.

At a session of the Commission August 30, 1898, it was ordered that the petition be granted.

August 30, 1898.

REV. J. M. RHODES TO THE COMMISSION.

Reduced Transportation.

This was an application by Rev. J. M. Rhodes, President of Central Academy and Industrial School, at Littleton, for reduced rate on building material, consisting of lumber, lime, brick, cement, etc., to be used in the construction of buildings at this institution, inasmuch as the railroad companies had expressed a willingness to grant the reduced rate if permitted to do so by the Commission.

At a session of the Commission, August 2, 1898, this petition was considered, and the Commission was of the opinion that the special rates could be granted for this institution under the 25th section of the Act creating the Commission, and will not be a violation of law.

August 30, 1898.

CARALEIGH PHOSPHATE COMPANY

vs.

SEABOARD AIR LINE.

Rate on Fertilizers.

The Caraleigh Phosphate Company complains that the roads of the Seaboard Air Line System do not comply with Circular No. 87 of the Commission in fixing a schedule of rates on fertilizers. For instance, said company charges a rate of \$1.50 per ton from Raleigh to Louisburg, when according to Circular No. 87 the rate should be \$1.30 per ton, and that a charge of \$3.00 per ton was made to Potecasi, which was also in excess of the tariff.

Notice was served on defendant with the advice that the Raleigh and Gaston road, which includes the Louisburg road, was not exempt from the provisions of Circular No. 78, but should be considered as one and the same road, and the rate should have been so figured.

Defendant answered through Mr. H. W. B. Glover, Traffic Manager, as follows :

"I can not understand why Mr. Chamberlain should complain of our rate of \$1.50 per ton on fertilizers to Louisburg from Raleigh, inasmuch as that rate is very much lower than a combination of locals less ten per cent. I have never understood that the interchange of business between the Raleigh and Gaston or Louisburg roads should be figured as over one and the same name, or that the rate from Raleigh should be on a continued mileage basis."

To this letter the Commission replied as follows :

"The matter of joint rate on fertilizers from Raleigh to points on the Louisburg Railroad, and to points on the Roanoke and Tar River Railroad was considered by the Commission at the session to-day, and it was the sense of the Commission that you are violating Rule 1 of the Commission (rules governing the transportation of freight), in the rates as promulgated by you. Circular No. 73, fixing a schedule of rates for fertilizers, applies to the Raleigh and Gaston Railroad, to the Roanoke and Tar River Railroad and to the Louisburg Railroad, and the rates should be made as

upon one and the same road. See Rule 1, page 39, Commissioners' Report for the Year 1896, which reads as follows :

"All connecting railroads, which are under the management and control, by lease, ownership or otherwise, of one and the same company, shall, for purposes of transportation, in applying this tariff, be considered as constituting but one and the same road, and the rates shall be computed as upon parts of one and the same road, unless otherwise specified."

"The same rule applies also on shipments from Wilmington and points on the Carolina Central to Raleigh and Augusta and Raleigh and Gaston points. It is the order of the Commission that you conform to this rule, and that the rates be made up accordingly. On the Raleigh and Augusta Railroad you are allowed 15 per cent above the standard, but this does not make a rate as high as the rate allowed the Carolina Central, and the rate from Carolina Central points to Raleigh and Augusta points should not be higher than the mileage rates for distances as per Carolina Central rate.

H. C. BROWN, Clerk."

The Traffic Manager replied as follows :

"To H. C. BROWN, Clerk.

"Does not the Board err in its ruling as to the application of fertilizer traffic No. 78? While it is true that many of the individual officers are one and the same, still it is a fact that each of the separate roads pay each of the said individual officers a part of the salaries, and that the transactions carried on over the different lines are separately accounted for by the different roads, each of which have distinctive boards of directors, stockholders, and separate ownership in that respect generally.

"Each of these properties are entitled to make their earnings, in accordance with the authorized traffics, and although under the same management nominally and for the purpose of economy in expenditures and economical management, are handled to an extent through the same individual, but each individual draws salary from each of the companies, and in that way is a distinctive representation.

"By reference to the Eleventh Annual Report of the Interstate Commerce Commission, page 111, you will find a decision by Mr. Justice Fields, sitting as Circuit Justice, which is cited by the Interstate Commerce Commission, whereunder it is held that 'a railroad company in carrying between points in the same State by a route which passes through another State is as clearly engaged in commerce among the States while operating in the second State.'

"The Commission held that the State of New York is without power to authorize the construction of a route from a point in that State through the State of New Jersey to New York City, or to control the operation of such a route, or to regulate charges made thereover, etc.

"This would seem to settle the question as to rates between points on the Seaboard and Roanoke Railroad and Roanoke and Tar River Railroad, in North Carolina, which traffic would be handled via Boykins, Va. I will be glad if you will bring this matter to the attention of the Board again, pointing out the facts as stated by me above, in regard to separate boards of directors, separate organizations, separate stockholders, and generally a separate interest, not overlooking the fact that there is a separate capital devoted to the building and maintaining of these properties, and that said capital should have opportunity of earning a fair, a reasonable return on business handled from a station on one road to a station on another road, and because of the economy in the management which enables it to be conducted by the same individual officers, although each of the roads pay the officers its specific share of remuneration, that for that purpose and in the effort to keep rates lower,

because of economy in the management, the individual stockholders and owners, and the bond issue, interest on which issues has been met, should not be made to suffer. I presume these facts were not before the Board when the ruling referred to was made, or they would doubtless agree with me that in this case and under these conditions their freight rule No. 1 should not attach."

Defendant desired a hearing on the matter, and at a session of the Commission August 30th, 1898, this case was called, when Traffic Manager H. W. B. Glover and J. C. MacRae, counsel, were present and heard. The Commission having carefully considered the case in all of its bearings, is of the opinion and so adjudged that the defendant comply with Rule 1 of the Commission, and that the rates on fertilizers be made up accordingly on all shipment of fertilizers to and from points over the roads comprising the Seaboard Air Line System.

August 30, 1898.

STATE OF NORTH CAROLINA ON THE RELATION OF THE RAILROAD
COMMISSION

vs.

SOUTHERN EXPRESS COMPANY.

Revenue Charge of One Cent by the Southern Express Company.

At a session of the Commission July 13th, 1898, the following order was issued:

"Complaint having been filed before the Railroad Commission that the Southern Express Company has exacted and continues to exact and collect from shippers a higher rate of charges than that allowed under their published tariffs, it is ordered that the said Southern Express Company show cause before the Railroad Commission, if any it can, on July 29, 1898, why the penalties for such overcharges be not enforced, as set forth in section 26 of the Railroad Commission Act. It is further ordered that the said Express Company furnish to this Commission a sworn statement of the number of shipments made since July 1, 1898, to July 29, 1898, on which such overcharges have been made."

The defendant, in answering this order, says:

The order of the Commission recites that a complaint has been filed before the Railroad Commission that the Southern Express Company has exacted, and continues to exact and collect from shippers a higher rate of charges than that allowed in their published tariffs, and it is ordered that the Southern Express Company show why penalties shall not apply.

The Southern Express Company, through the undersigned, expressly denies that the Southern Express Company has enacted or collected a higher rate of charges than that allowed in their published tariffs.

The name of the complainants is not stated in the notice, nor the place at which the alleged act is said to have occurred, therefore we have no information upon which to base an investigation to learn whether or not any errors have been made in such charges.

Clerical errors in either overcharging or undercharging on the part of our em-

ployees are possible, but our employees have no instructions to vary from the regulation charges as published.

In the order of the Commission it is further ordered "that the said Express Company furnish to this association a sworn statement of shipments made since July 1, 1898, to July 29, 1898, in which such overcharges have been made."

Not being aware of any overcharges, and not being in possession of any information that would enable me to investigate any claim or allegation that overcharges occurred, I am unable to furnish any such statement as required in the order.

This cause came on for hearing at a session of the Commission August 30, 1898, F. H. Busbee and D. Bignion representing defendants.

The Commission having fully considered the answer of defendant, and argument of counsel, is of the opinion that it has jurisdiction of all matters of overcharges by the express companies, and that the charge of one cent required by the company from the shipper is an overcharge in each and every case. The Commission is further of the opinion that the charge of one cent appertains directly to the transportation of the package, and in the opinion of the Commission is a part of the transportation charges.

It is further ordered that on and after the 7th day of September, 1898, the Southern Express Company shall place and pay for the revenue stamp on all shipments as required by law.

Whereupon, the Southern Express Company makes application for leave to increase its rates between points in North Carolina, heretofore prescribed by the Commission as being just and reasonable, to the extent of one cent on such shipments to cover the additional expense imposed by the United States Revenue Act of 1898.

Petition is denied.

August 30, 1898.

WILMINGTON TARIFF ASSOCIATION

vs.

ATLANTIC COAST LINE, SOUTHERN RAILWAY, SEABOARD AIR LINE,
ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY.

This was a petition asking that the Commission issue its order requiring the defendant railroads to issue interchangeable mileage ticket books at \$25.00 for 1,000 mile tickets, and 2,000 mile tickets at \$40.00.

This petition was read at a session at Raleigh September 30, 1898, and it appearing that inasmuch as this matter of mileage tickets had been previously heard, and no new facts presented other than had been passed upon, it was the opinion of the Commission that a ruling at this time should be denied, and it was so ordered. Case dismissed.

September 30, 1898.

L. A. VEST

vs.

SOUTHERN EXPRESS COMPANY.

Damage.

Complainant filed claim for damage on shipment of oysters from Suffolk, Va., to Haw River, alleging negligence in handling and delay in delivery.

Complaint was served and answer filed, saying that the damage sustained had been paid. Closed.

September 30, 1898.

A. J. McKIMMON

vs.

SOUTHERN RAILWAY.

Excess Charge for Failure to Purchase Ticket.

Plaintiff filed his complaint September 1, 1898, alleging that on August 24th he was at Reidsville, and desiring to board the train passing for Danville, waited at the hotel until he heard the train blow and then went to the station and found the agent had closed the ticket office. The conductor, for a distance of 24 miles, charged him 95 cents for a second-class ticket, or an excess of 30 cents for failure to have ticket.

Plaintiff demands the refund of 30 cents.

A letter was addressed to complainant as follows:

"I hand you copy of rule in regard to buying of tickets before boarding trains, etc., which reads as follows:

"8. Where a railroad company has provided agents and offices, ready and open for the sale of tickets, and the passengers, for want of proper diligence, fail to supply themselves therewith before getting on the train, then 10 cents additional for each passenger 12 years old and over may be demanded and collected for all distances not greater than 10 miles, and 20 cents in like manner for all distances not less than 10 nor greater than 20 miles, and 30 cents in like manner for all distances over 20 miles. Half these rates for each passenger over 5 years old and under 12 years may in like manner be demanded and collected: Provided, however, offices at way stations may be closed one minute before the arrival of trains."

"It would seem from the rule that if you were not at the depot more than one minute before the arrival of the train, the conductor was justifiable in charging you an excess."

At a session of the Commission September 30, 1898, no answer having been received from the plaintiff, it was adjudged that no further action be taken. Closed.

September 30, 1898.

A. B. CRAVEN

vs.

NORTHAMPTON AND HERTFORD RAILROAD COMPANY.

Freight Rate on Lumber.

This was a complaint for excessive freight rate on lumber and logs over defendant's road.

At a session of the Commission September 30, 1898, this case was thoroughly investigated and considered by the Commission, and it appearing that the defendant was charging no higher rate than that heretofore approved by the Commission, and which appears not to be excessive, it is adjudged that the case be dismissed.

September 30, 1898.

TAR RIVER OIL COMPANY

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Overcharge.

Complaint for overcharge on gin, gear cylinders, shipped from Tarboro to Atlanta.

Complaint was served August 26, 1898, and answer filed September 20, 1898, through H. M. Emerson saying that voucher had been made for the overcharge of \$6.12.

At a session of the Commission September 30, 1898, it appearing that defendant had refunded to plaintiff the overcharge, and that no further relief was demanded, case was closed.

September 30, 1898.

OAKDALE COTTON MILLS

vs.

SOUTHERN RAILWAY.

Overcharges and Delivery of Freight.

Plaintiff alleged overcharges on numerous shipments and negligence on part of defendant in tracing lost freights.

This complaint was served on defendant with request that the matters complained of have an immediate investigation and that plaintiff be given satisfaction.

Defendant answered the complaint through Mr. W. W. Finley, Second Vice-President, saying that all claims of plaintiff would be promptly adjusted and that the present system of tracers will be investigated, and such revision would be made as will bring more satisfactory results to its patrons.

Copy of answer was furnished plaintiff with request that the Commission be advised if satisfactory adjustments of all the matters complained of had been made.

At a session of the Commission September 30, 1898, it appearing that plaintiff desired no further action, case was closed.

September 30, 1898.

RALEIGH AND GASTON RAILROAD COMPANY TO THE COMMISSION.

Special Freight Rates.

Petition asking to be permitted to make a freight rate of one-half on shipment of benches to Antioch church.

Granted.

September 30, 1898.

HENDERSON COTTON MILLS TO THE COMMISSION.

Reduced Rates.

This was a petition by D. Y. Cooper, President of Henderson Cotton Mills, at Henderson, N. C., asking that a special freight rate be given on building material for the construction of proposed mills. The petition was followed by consent from the Raleigh and Gaston Railroad Company proposing to grant a special rate of two-thirds of the regular tariff rate.

This application was filed under the proviso contained in the sixth section of the act establishing the Commission, which is as follows:

“That the Railroad Commissioners, conjointly with such companies, shall have authority to make special rates for the purpose of developing all manufacturing, mining, milling and internal improvements in the State.”

At a session of the Commission at Raleigh, October 25, 1898, this application was considered by the Commission, and it was adjudged and so ordered that the special rate of two-thirds the regular tariff be approved.

September 30, 1898.

KERNER BROS.

vs.

THE SOUTHERN EXPRESS COMPANY.

This was an application by plaintiffs, Kerner Bros., to compel the defendant to accept and transport by express packages over its routes without the prepayment of the charges for such carriage. The Southern Express Company appeared and demurred on the ground that it appeared from plaintiffs' own showing that they were not entitled to the relief sought, in that they had failed and refused to prepay the charges demanded prior to the shipment.

Held, that the demurrer is sustained. Action dismissed.

Allen vs. Railroad, 100 N. C. Rep., 397.

Randal vs. Railroad, 108 N. C., 612.

September 30, 1898.

CLASSIFICATION OF UNGINNED COTTON.

At a session of the Commission August 30, 1898, Circular No. 101 was issued as follows:

"Change in Commissioners' classification—Unginned cotton, packed in bags, 2,000 pounds and over, L. C. L., 6th class. Unginned cotton, packed in bags or loose, C. L., minimum weight 10,000 pounds, Class 'A,' shippers to load and unload."

The different roads of the State filed exceptions to the effect—

1st. That the existing classification on cotton is just and reasonable.

2d. That the classification as modified by said Circular No. 101 is unjust and unreasonable for the reason that it will result in a reduction of the revenue derived by the railroad companies for the transportation of cotton to such an extent as to render the revenue derived under said proposed change in classification unjustly and unreasonably low for the service expected to be performed, so that the said rates would fail to yield to the roads a reasonable return for their service in the premises.

3d. That the specification of 10,000 pounds as a minimum car-load rate for unginned cotton packed in bags or loose is lower than is just and reasonable to the railroad companies.

This case was called and heard at a session of the Commission October 25, 1898, and after consideration the Commission was of opinion that the exceptions of defendants should be sustained. So ordered, and Circular No. 101 rescinded.

October 25, 1898.

J. A. MCARTHUR

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Overcharge.

Complaint of overcharge on shipment of boiler from Wilmington to Clinton.

It appearing that there was an overcharge of \$6.16 on the shipment, defendant was asked to refund.

At a session of the Commission October 25, 1898, it appearing that the overcharge had been refunded to plaintiff, and that the overcharge was caused by error of defendant's agent, case was closed.

October 25, 1898.

S. W. LOVINGOOD ET AL.,

vs.

SOUTHERN RAILWAY.

Train Service.

This was a petition from the citizens of Murphy complaining of the schedule and passenger train service from Bryson City to Murphy, and asking that an order be issued requiring the passenger train that runs from Asheville to Bryson City to be run through to Murphy.

This petition was served on defendant with request for answer.

Answer was received on September 24, 1898, through A. B. Andrews, Vice President of defendant company, as follows:

"We are operating the Murphy Branch at a loss. The passenger earnings of our Murphy trains have been, since the first of January last, but a trifle over \$11,000—that is \$54.66 a day, or 22 cents a mile.

"The business is, of course, light, and the expense of operating the Branch is exceedingly heavy on account of grade and curvature.

"Certainly the business of the road does not justify the maintenance and operation of a railroad there, and would be a hardship to force us to put on another train."

At a session of the Commission October 25, 1898, this matter was considered, and the Commission was of the opinion that the petition should not be granted. Case dismissed.

October 25, 1898.

K. L. CRAVEN
vs.
SOUTHERN RAILWAY.

Discrimination.

Complainant alleged discrimination in freight rates on C. L. shipments of coal from Tennessee points to Concord, N. C., and Charlotte, N. C., and that a manufacturer was getting a lower rate than the individual.

Complaint was served on defendant October 17, 1895, and answer filed October 25, 1898, denying allegation of plaintiff, but that the difference in the rate charged was caused by different class of coal shipped. It appearing upon further investigation that there was no discrimination in the rates complained of, case was dismissed.

October 25, 1898.

CITIZENS OF DILLSBORO
vs.
SOUTHERN RAILWAY.

Station Facilities.

This was a petition by the citizens of Dillsboro, alleging that the depot accommodations at that place were inadequate for the business of the place, uncomfortable and unsightly, and asking that the Commission issue an order requiring defendants to erect a new and more commodious building.

In answer to the notice to show cause, if any, why the the petition should not be granted, a letter is received from A. B. Andrews, First Vice-President of defendant company, saying that instructions had been given for the remodeling of the depot and the improving generally its condition.

October 25, 1898.

LYERLY BROS.
vs.
SOUTHERN RAILWAY.

Loading Cotton.

Plaintiff alleged that defendants' agent at Cleveland, a station on the line of the Southern Railway, refused to issue bill of lading for cotton in bales unless placed in defendants' cars.

Complaint was served and answer filed through J. B. Munson, Division Freight Agent of defendant company, that the refusal to comply with demand of plaintiff was an error on part of agent, and in future there would be no further cause for complaint. Plaintiff desiring no further relief, case was closed.

October 25, 1898.

CIRCULAR No. 72.

QUARTERLY REPORTS TO THE COMMISSION.

RALEIGH, December 30, 1897.

Ordered, that Quarterly Report, Form "B," be amended so as to show a detailed statement of freight and passenger earnings, operating expenses, etc., etc., (copy of form on file.)

Ordered further, that a separate detailed report of earnings and expenses shall be made for each main and branch line or division.

Ordered further, that this report shall be filed in the office of the Railroad Commission within 30 days after the close of each quarter.

Effective on and after January 1, 1898.

By order of the Commission.

L. C. CALDWELL, Chairman.
JNO. H. PEARSON,
D. H. ABBOTT.

H. C. BROWN, Clerk.

CIRCULAR No. 73.

RALEIGH, N. C., January 7, 1898.

On and after the first day of February, 1898, all telephone companies within this State, whether incorporated or otherwise, will be allowed a maximum charge for service, as follows, viz.:

PLACE OF BUSINESS.

Special wire.....	\$30.00 per year.
2 and 3 Party wire (each).....	24.00 per year.
4 and 6 Party wire (each).....	18.00 per year.

RESIDENCE.

Special wire.....	\$18.00 per year.
2 and 3 Party wire (each).....	16.00 per year.
4 and 6 Party wire (each).....	14.00 per year.

L. C. CALDWELL, Chairman;
JNO. H. PEARSON,
D. H. ABBOTT.

By order of the Board.

H. C. BROWN, Clerk.

This tariff does not apply to services rendered outside the incorporate limits of any city or town.

CIRCULAR No. 74.

RALEIGH, N. C., January 13, 1898.

FERTILIZER RATES.

On and after the first day of February, 1898, the maximum freight rate on fertilizer, car-load shipments, 20,000 pounds minimum, will be the present rate in effect, less (16 2-3) sixteen and two-thirds per cent.

Applicable to all roads.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 75.

RALEIGH, January 28, 1898.

Circular No. 70, bearing date September 21, 1897, fixing rate on cotton over the
Atlantic Coast Line System,
Southern Railway System,
Seaboard Air Line System, and
Cape Fear and Yadkin Valley Railway,

is repealed.

Rates in effect prior to this date are restored.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 76.

RALEIGH, February 1, 1898.

On and after February 10, 1898, the following change in Commissioners' classification will be in effect:

Corn in sacks, or bulk, car-load, minimum 25,000 pounds, Class K, Commissioners' Standard Tariff. Shippers to load and unload.

On all shipments which shall pass over the whole or portions of two or more roads, in applying tariff it shall be considered as upon one and the same road.

Applicable to all roads.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 77.

RALEIGH, February 1, 1898.

AMENDING RULE No. 30 OF RULES GOVERNING THE TRANSPORTATION
OF FREIGHT.

Rule No. 30 of the Rules Governing the Transportation of Freight is amended, to read as follows:

Whenever any goods, or articles of freight of any kind, shall be received by any common carrier in this State, to be delivered to any consignee in this State, and a portion of same shall not have been received at the place of destination, the carrier shall not demand any part of the charges for freight or transportation due for such portion of the shipment as shall not have reached the place of destination. And in case of loss, damage or overcharge of such freight, if the consignee present his bill of lading and the original invoice to the agent of the company at place of destination of such goods, within thirty days after notice of the loss, damage or overcharge, and said company fails or neglects to deliver to the consignee the goods lost or damaged, in good order, or refund any overcharge for thirty days after such notice, then such company shall be liable for the value of such goods lost or damaged or overcharged. The carrier shall be required to deliver to the consignee such portion of the consignment as shall have been received, upon the payment or tender of freight charges due upon such portion, as provided by chapter 495, Laws 1893.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 78.

Raleigh. February 18, 1898.

From and after the first day of February, 1898, the maximum freight rates on fertilizers on all railroads in this State will be as follows:

CAR-LOAD FIFTEEN TONS MINIMUM.	Per Ton.
12 miles and under.....	\$1.00
20 miles and over 12.....	1.10
30 miles and over 20.....	1.20
40 miles and over 30.....	1.30
50 miles and over 40.....	1.40
60 miles and over 50.....	1.50
70 miles and over 60.....	1.60
80 miles and over 70.....	1.70
90 miles and over 80.....	1.80
100 miles and over 90.....	1.90
110 miles and over 100.....	2.00
120 miles and over 110.....	2.10
130 miles and over.....	2.20

CIRCULAR No. 78—Continued.

CAR-LOAD FIFTEEN TON MINIMUM.	Per Ton.
140 miles and over	\$2.30
150 miles and over	2.40
160 miles and over	2.50
170 miles and over	2.55
180 miles and over	2.60
190 miles and over	2.65
200 miles and over	2.70
210 miles and over	2.75
220 miles and over	2.80
230 miles and over	2.85
240 miles and over	2.90
250 miles and over	2.95
260 miles and over	3.00
270 miles and over	3.05

On less than car-load shipments, rates may be made twenty per cent higher than above. The joint rates on two or more roads, not under the same management or control, shall be made on the basis of the sum of the locals of each road, less twenty per cent.

The following roads are excepted from the provisions of this circular: Cheraw and Darlington, Wilmington, Newbern and Norfolk, and the present tariff in effect on these roads is continued. Wilmington, Columbia and Augusta may add ten per cent. North Carolina Midland, Northwestern North Carolina, Winston to Wilkesboro, State University, Statesville and Western, Western North Carolina, Asheville to Murphy, and Yadkin Railroad will continue present rate in effect.

The Carolina Central Railroad shall apply the rate now in effect on the Cape Fear and Yadkin Valley Railroad. The present rate in effect on the Durham and Northern Railroad is continued. Raleigh and Augusta Railroad may add fifteen per cent to Commissioners' standard rate. The present rates in effect on the following roads are continued:

Aberdeen and Rock Fish, Atlantic and Danville, Cape Fear and Yadkin Valley, Carthage, Carolina and Chowan, Chester and Lenoir, Caldwell and Northern, Danville, Mocksville and Southwestern, Raleigh and Western, Durham and Charlotte, Atlantic, Knoxville and Northern, Henderson and Brevard, Northampton and Hertford, Norfolk and Southern, Norfolk and Western, Moore County, Ohio River and Charleston, Suffolk and Carolina and Warrenton.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 79.

RALEIGH, N. C., February 1, 1898.

From and after February 1, 1898, the rate on corn, sacked or in bulk, C. L. 25,000 minimum, from New Bern to Raleigh, shall be ten cents per hundred pounds.

Expires May 31, 1898.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 80.

RALEIGH, N. C., February 21, 1898.

From and after the 23d day of March, 1898, the fares for the transportation of passengers shall be as follows:

Two and one-half cents per mile for first-class tickets; two cents per mile for second-class tickets on the following railroads in North Carolina, to-wit:

The Wilmington and Weldon Railroad from Wilmington to Weldon, and that part of the Wilmington and Weldon Road from Contentnea to the South Carolina State line; the Petersburg Road from Weldon to the Virginia State line; that part of the Tarboro Branch from Rocky Mount to Tarboro, and the Norfolk and Carolina Railroad from Tarboro to the Virginia State line; the Raleigh and Gaston Railroad from Weldon to Raleigh; the Seaboard and Roanoke Railroad from Weldon to the Virginia State line and the Raleigh and Augusta Air Line from Raleigh to Gibson; the North Carolina Railroad from Goldsboro to Charlotte; the Piedmont Railroad from Greensboro to the Virginia State line; that part of the Northwestern North Carolina Railroad from Greensboro to Winston; the Western North Carolina Railroad from Salisbury to Paint Rock; the Atlantic, Tennessee and Ohio Railroad from Charlotte to Statesville; the Atlanta and Charlotte Air Line Railroad from Charlotte to the South Carolina State line, and the Charlotte, Columbia and Augusta Railroad from Charlotte to the South Carolina State line.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 81.

RALEIGH, N. C., February 23, 1898.

WHEREAS, Section 4, chapter 320, of the Acts of the General Assembly of North Carolina, at its session of 1891, known as the Railroad Commission Act, makes it unlawful for "any common carrier" within the State, "either directly or indirectly, by any special rate, rebate, drawback or other *device*, to charge, demand, collect or receive from any person or persons, a greater or less compensation for any service rendered, or to be rendered, in the *transportation of passengers* than it charges, demands, collects or receives from any other person or persons;" and—

WHEREAS, Section 25 of said Act enumerates the *exceptions above* permitted, and—

WHEREAS, Absolute equality is the demand of the law.

Resolved, That said Act condemns and prohibits free-pass or free-mileage transportation to all editors, staff correspondents and employees of the newspapers of the State;

That said Act applies with equal force to free-pass or free-mileage transportation to attorneys within the State not actually employed by the common carrier for a certain and definite sum and not the actual and *bona fide* employees of the carrier.

By order of the Commissioners.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 82.

(SUPERSEDES CIRCULAR NO. 631.)

FREIGHT RATE ON FIREWOOD.

RALEIGH, N. C., March 16, 1898.

In car-loads released, loaded and unloaded by shipper, 10 cords minimum, effective at once:

1 to 10 miles, per cord	40 cents.
10 to 15 miles, per cord	45 cents.
15 to 30 miles, per cord	50 cents.
30 to 40 miles, per cord	55 cents.
40 to 50 miles, per cord	60 cents.

Applicable to all railroads in the State.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 83.

(REVOKING CIRCULAR NO. 82 AND RESTORING CIRCULAR NO. 63.)

FREIGHT RATE ON FIREWOOD.

RALEIGH, N. C., March 29, 1898.

Circular No. 82—Freight rate on firewood—is hereby repealed.

Circular No. 63 is restored, which is as follows:

CIRCULAR No. 63.

FREIGHT RATE ON FIREWOOD.

In car-loads released, loaded and unloaded by shipper, 10 cords minimum, effective July 1, 1897:

1 to 10 miles, per cord	50 cents.
10 to 15 miles, per cord	55 cents.
15 to 30 miles, per cord	60 cents.
30 to 40 miles, per cord	70 cents.
40 to 50 miles, per cord	80 cents.

Applicable to all railroads in the State.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 84.

RALEIGH, N. C., MARCH 30, 1898.

On and after the 30th day of April, 1898, the maximum charge for mileage tickets of two thousand miles shall be forty dollars and for one thousand mile tickets twenty-five dollars, on the following systems of roads, including their branch lines, to-wit:

The Atlantic Coast Line, the Seaboard Air Line and the Southern Railway. Said tickets or mileage books to be valid on presentation by the holder and good for first-class passage on any passenger train on their respective roads, by any person presenting said mileage books, without limitation to individuals.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 85.

RALEIGH, N. C., March 30, 1898.

The following is adopted by the Railroad Commission, to take effect at once, and to be added to the rules governing the transportation of passengers already adopted by the Commission:

RULE No. 18.

It shall be the duty of the Pullman Car Company, at all stations, on the stopping of trains, to have the doors of their cars open for the reception of passengers and require the porter to have a step ready for the convenience of passengers desiring to enter.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 86.

RALEIGH, N. C., March 31, 1898.

Circular No. 80 fixing a schedule of fares for the transportation of passengers is rescinded.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 87.

(AMENDING CIRCULAR NO. 78.)

RALEIGH, N. C., April 21, 1898.

Circular No. 78 is amended to read as follows: From and after the first day of May, 1898, the maximum freight rates on fertilizers on all railroads in this State will be as follows:

CAR-LOAD FIFTEEN TONS MINIMUM.	PER TON.
5 miles and under	\$0.60 per ton.
10 miles and over .....	.80 per ton.
15 miles and over 10	1.00 per ton.
20 miles and over 15	1.10 per ton.
30 miles and over 20	1.20 per ton.
40 miles and over 30	1.30 per ton.
50 miles and over 40	1.40 per ton.
60 miles and over 50	1.50 per ton.
70 miles and over 60	1.60 per ton.
80 miles and over 70	1.70 per ton.
90 miles and over 80	1.80 per ton.
100 miles and over 90	1.90 per ton.
110 miles and over 100	2.00 per ton.
120 miles and over 110	2.10 per ton.
130 miles and over 120	2.20 per ton.
140 miles and over 130	2.30 per ton.
150 miles and over 140	2.40 per ton.
160 miles and over 150	2.50 per ton.
170 miles and over 160	2.55 per ton.
180 miles and over 170	2.60 per ton.
190 miles and over 180	2.65 per ton.
200 miles and over 190	2.70 per ton.
210 miles and over 200	2.75 per ton.
220 miles and over 210	2.80 per ton.
230 miles and over 220	2.85 per ton.
240 miles and over 230	2.90 per ton.
250 miles and over 240	2.95 per ton.
260 miles and over 250	3.00 per ton.
270 miles and over 260	3.05 per ton.

On less than car-load shipments, rates may be made twenty per cent. higher than above. The joint rates on two or more roads, not under the same management or control, shall be made on the basis of the sum of the locals of each road, less twenty per cent.

The following roads are excepted from the provisions of this circular: Cheraw and Darlington, Wilmington, New Bern and Norfolk, and the present tariff in effect on these roads is continued. Wilmington, Columbia and Augusta may add ten per cent. North Carolina Midland, Northwestern North Carolina, Winston to Wilkesboro, State University, Statesville and Western, Western North Carolina, Asheville to Murphy, and Yadkin Railroad will continue present rate in effect.

The Carolina Central Railroad shall apply the rate now in effect on the Cape Fear and Yadkin Valley Railroad. The present rate in effect on the Durham and Northern Railroad is continued. Raleigh and Augusta Railroad may add fifteen per cent. to the Commissioners' standard rate. The present rates in effect on the following roads are continued :

Atlantic and North Carolina, Aberdeen and Rock Fish, Atlantic and Danville, Cape Fear and Yadkin Valley, Carthage, Cashie and Chowan, Carolina and Northwestern, Caldwell and Northern, Danville, Mocksville and Southwestern, Raleigh and Western, Durham and Charlotte, Atlanta, Knoxville and Northern, Hendersonville and Brevard, Northampton and Hertford, Norfolk and Southern, Norfolk and Western, Moore County, Ohio River and Charleston, Suffolk and Carolina and Warrenton.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 88.

RALEIGH, N. C., June 8, 1898.

Circular No. 84 fixing sale of mileage tickets is withdrawn.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 89.

RALEIGH, N. C., June 13, 1898.

On and after July 1, 1898, the Atlantic Coast Line System, the Southern Railway System, the Seaboard Air Line System, the Cape Fear and Yadkin Valley Railway and the Atlantic and North Carolina Railroad shall sell mileage books of 1,000 miles at 2 1-2 cents per mile.

To be sold under present conditions, except when purchased for families they shall be made good for actual members thereof, living with a part of said family; but the names of such members must be entered thereon by the member of the family at time purchased. All other mileage tickets to be good only for one individual, and not transferable. Unused portion of ticket or mileage book to be redeemed on presentation to railroad company, if presented within twelve months from date of same.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 90.

RALEIGH, June 8, 1898.

RATES ON FISH FROM MOREHEAD CITY AND NEWBERN.

(Rate per 100-pound box. Half boxes charge graduate rates).

To	Rate.	To	Rate.	To	Rate.	To	Rate.	To	Rate.
Aberdeen	\$1.80	Currie	\$1.50	Hobgood	\$1.25	Mount Holly	\$1.85	Saluda	\$2.00
Addie	2.10	Dabney	1.50	Hoffman	1.80	Mount Olive	1.15	Sanford	1.65
Advance	1.90	Dallas	1.75	Homin	2.00	Mount Tabor	1.50	Scot and Neck	1.15
Ahoskey	1.25	Dalton	1.80	Hope Mills	1.55	Murphy	2.10	Seaboard	1.25
Albemarle	1.65	Davidson College	1.65	Hot Springs	1.90	Nantabala	2.10	Selma	.70
Alexander	1.90	Dillsboro	2.10	House	1.25	Nashville	1.15	Shandon	1.70
Almond	2.10	Donnaba	1.65	Hubb	1.60	Neals	1.25	Shelby	2.00
Andrews	2.00	Dudley	1.15	Huntersville	1.65	Neuse	1.60	Shepherds	1.75
Apex	1.65	Dunn	1.25	Iredell	1.75	Newells	1.65	Siler City	1.75
Ararat	1.80	Durham	1.35	Iron	1.90	New Hill	1.65	Siloam	1.65
Arden	2.00	Earls	2.00	Ivanhoe	1.50	New London	1.65	Sloan	1.75
Ashboro	1.60	Elkin	1.65	Jamestown	1.50	Newton	1.65	Smithfield	1.25
Ashville	1.85	Eltenboro	2.00	Jamesville	1.15	Norwood	1.65	Sophia	1.60
Atkinson	1.50	El City	1.15	Jerome	1.15	Oatesa	1.50	Southern Pines	1.80
Aulander	1.25	Elmwood	1.65	Jonesboro	1.75	Old Fort	1.85	Spout Spring	1.75
Autryville	1.50	Elon College	1.50	Julian	1.75	Ore Hill	1.75	Spring Hope	1.15
Ayden	1.15	Elrod	1.35	Kelford	1.25	Osborn	1.80	Staley	1.75
Barnard	1.90	Erfeld	1.15	Kenly	1.15	Osgood	1.65	Stanley Creek	1.90
Battleboro	1.15	Everett	1.15	Kersville	1.55	Oxford	1.45	Statesville	1.65
Belew's Creek	1.80	Fair Bluff	1.35	Kerr	1.50	Palmyra	1.25	Stedman	1.50
Belmont	1.65	Faisons	1.15	Keyser	1.80	Parkersburg	1.50	Stems	1.45

CIRCULAR No. 90.—Continued.

To	Rate.	To	Rate.	To	Rate.	To	Rate.	To	Rate.
Beason	\$1.25	Fayetteville	\$1.30	Kings	\$1.80	Parkton	\$1.35	Stokesdale	\$1.80
Bessemer City	1.65	Flat Rock	2.00	King's Mountain	1.65	Parrale	1.25	Stoneville	1.85
Bethania	1.65	Fletcher	2.00	Kinston	.70	Pates	1.75	Stovalls	1.45
Bethel	1.15	Forest City	2.00	Kittrell	1.60	Patterson Springs	2.00	Summerfield	1.80
Biltmore	1.85	Forestville	1.60	LaGrange	.70	Paw Creek	1.85	Swannanoa	1.85
Black Creek	1.10	Four Oaks	1.25	Lake Waccamaw	1.35	Peachland	1.80	Swann's	1.75
Black Mountain	1.85	Franklinsville	1.85	Lattimore	2.00	Pelham	1.60	Sylva	2.10
Bladenboro	1.50	Franklinton	1.60	Laurel Hill	1.80	Pembroke	1.35	Tarboro	1.15
Bogue	1.35	Fremont	1.10	Laurinburg	1.80	Pikeville	1.10	Taylorsville	1.75
Bostic	2.00	Garland	1.50	Lemon Springs	1.80	Pilot Mountain	1.80	Thermal City	2.00
Bridgewater	1.70	Garner	1.15	Lenoir	1.65	Pine Bluff	1.80	Thomasville	1.60
Brinkley	1.35	Gary's	1.25	Lewiston	1.80	Pine Hall	1.85	Tillery	1.25
Brown's Summit	1.60	Gaston	1.60	Lexington	1.60	Pine Level	1.10	Tomahawk	1.50
Bryson City	2.10	Gastonia	1.65	Liberty	1.75	Pineville	1.65	Trinity	1.60
Buies	1.35	Gates	1.25	Lifesville	1.80	Plunacle	1.80	Troutman	1.75
Bullock's	1.45	Germanton	1.80	Lincolnton	2.00	Pittsboro	1.65	Tryon	1.90
Burgaw	1.15	Gibson	1.80	Lynchburg	1.40	Pleasant Ridge	1.65	Tunis	1.25
Burlington	1.45	Gibsonville	1.50	Lutetion	1.60	Plotts	1.65	Turkey	1.15
Bushnell	2.10	Glen Alpine	1.70	Louisburg	1.60	Plymouth	1.15	Union Mills	2.00
Caroleen	2.00	Glenwood	2.00	Lowell	1.65	Polkton	1.80	University	1.40
Cameron	1.80	Godwin	1.30	Lucama	1.15	Porters	1.65	Vaughan	1.60
Canton	2.00	Gold Hill	1.65	Lumber Bridge	1.70	Price	1.85	Waco	2.00
Cary	1.25	Goldsboro	.70	Lumerton	1.75	Princeton	1.10	Wade	1.30
Carthage	1.75	Goldston	1.75	Lyons	1.45	Raleigh	1.15	Wadesboro	1.60

Castle Hayne	1.15	Goose Nest	1.25	Macfarlan	1.60	Ramseur	1.86	Wake (Wake Forest P.O.)	1.60
Catawba	1.65	Graham	1.45	Macon	1.60	Randleman	1.60	Walkertown	1.85
Cedar Falls	1.85	Granite Falls	1.65	Madison	1.85	Red Springs	1.70	Wallace	1.15
Chadbourn	1.25	Greensboro	1.40	Magnolia	1.15	Reidsville	1.60	Walnut Cove	1.80
Chapel Hill	1.40	Greenville	1.15	Maiden	1.65	Rennett	1.35	Warren Plains	1.60
Charlotte	1.65	Greystone	1.60	Manchester	1.75	Richfield	1.65	Warsaw	1.15
Cherryville	2.00	Grifton	1.15	Manly	1.80	Richmond	1.75	Washington	1.25
China Grove	1.65	Grover	1.65	Margarettsville	1.25	Rich Square	1.75	Waxhaw	1.85
Claremont	1.65	Gulford College	1.55	Marion	1.70	Ridgeway	1.60	Waynesville	2.00
Clarkton	1.50	Gulf	1.75	Marshall	1.90	Roaring River	1.65	Weldon	1.15
Clayton	1.15	Gumberry	1.25	Marshville	1.80	Robersonville	1.15	Wharton	1.15
Clemmonsville	1.60	Halifax	1.15	Mathews	1.80	Rockford	1.65	Whitakers	1.15
Cleveland	1.65	Hamlet	1.80	Maxton	1.70	Rockingham	1.80	Whiteville	1.35
Climax	1.75	Hardins	1.65	Mebane	1.45	Rockwell	1.65	Whittier	2.10
Clinton	1.15	Harrisburg	1.65	Middleburg	1.60	Rocky Mount	1.15	Wilkesboro	1.65
Clyde	2.00	Hasty	1.70	Millboro	1.85	Rocky Point	1.15	Williamston	1.15
Concord	1.65	Haw River	1.45	Milton	1.75	Ronda	1.65	Wilmington	1.15
Conetoe	1.15	Helena	1.65	Moksville	1.60	Roseboro	1.00	Wilson	1.10
Connelly's Springs	1.65	Henderson	1.50	Montague	1.50	Rose Hill	1.15	Wilson's Mills	1.15
Conover	1.65	Hendersonville	2.00	Moncure	1.65	Rougemont	1.65	Winston-Salem	1.60
Councils	1.50	Hester	1.60	Monroe	1.80	Rowand	1.35	Youngsville	1.60
Creedmore	1.60	Hewitt	2.10	Morrisville	1.75	Roxboro	1.65	Zirconia	2.00
Croft	1.65	Hickory	1.65	Morganton	1.65	Ruffin	1.60		
Cronly	1.50	Hiddenite	1.75	Morrisville	1.35	Rural Hall	1.65		
Crouse	2.00	High Point	1.55	Morven	1.60	Rutherfordton	2.00		
Cummock	1.75	Hillsboro	1.40	Mount Airy	1.80	Salisbury	1.60		

CIRCULAR No. 91.

RALEIGH, June 8, 1898.

RATE ON FISH FROM WASHINGTON, N. C.

(Rate per 100-pound box. Half boxes charged graduated rates.)

To	Rate.	To	Rate.	To	Rate.	To	Rate.	To	Rate.
Aberdeen	\$1.50	Currie	\$1.25	Hobgood	\$0.50	Mount Holly	\$1.75	Sanford	\$1.25
Addie	2.10	Dabney	1.25	Hoffman	1.50	Mount Olive	1.00	Scotland Neck	.65
Advance	1.50	Dallas	1.75	Hominy	2.00	Mount Tabor	1.40	Seaboard	.90
Ahoskey	.50	Dalton	1.75	Hope Mills	1.00	Murphy	2.10	Selma	.90
Albemarle	1.65	Davidson College	1.65	Hot Springs	1.90	Nantahala	2.10	Shandon	1.25
Alexander	1.90	Dillsboro	2.10	House	.50	Nashville	.70	Shelby	2.00
Almond	2.10	Donnaha	1.65	Hub	1.40	Neals	.50	Shepherds	1.75
Andrews	2.10	Dudley	1.00	Huntersville	1.65	Neuse	1.00	Siler City	1.50
Apex	1.25	Dunn	1.00	Iredell	1.75	Newells	1.50	Siloam	1.65
Ararat	1.75	Durham	1.25	Iron	1.75	New Hill	1.25	Sloan	1.75
Arden	.50	Earls	2.00	Ivanhoe	1.25	New London	1.65	Smithfield	.90
Asheboro	1.50	Elkin	1.65	Jamestown	1.50	Newton	1.65	Sophia	1.50
Asheville	1.85	Ellenboro	2.00	Jamesville	.50	Norwood	1.65	Southern Pines	1.50
Atkinson	1.25	Elm City	.70	Jerome	.90	Odessa	1.25	Spout Spring	1.25
Aulander	.50	Elmwood	1.60	Jonesboro	1.25	Old Fort	1.85	Spring Hope	.75
Autryville	1.25	Elon College	1.50	Julian	1.50	O. e Hill	1.50	Staley	1.50
Ayden	2.00	Elrod	1.10	Kelford	1.00	Osborn	1.50	Stanley Creek	1.75
Barnard	1.90	Enfield	.75	Kenly	.90	Osgood	1.25	Statesville	1.60
Battleboro	.70	Everett	.50	Kernersville	1.50	Oxford	1.25	Stedman	1.25
Belew's Creek	1.75	Fair Bluff	1.25	Kerr	1.25	Palmyra	.50	Stems	1.25
Bellmont	1.65	Falsons	1.00	Keyser	1.50	Parkersburg	1.25	Stokesdale	1.75

Benson	1.00	Fayetteville	1.00	Kings	1.75	Parkton	1.10	Stoneville	1.50
Bessemer City	1.50	Fiat Rock	2.00	King's Mountain	1.50	Pates	1.50	Stovalls	1.25
Bethania	1.65	Fletcher	2.00	Kinston	.60	Patterson Springs	2.00	Summerfield	1.75
Bethel	.50	Forest City	2.00	Kittrell	1.00	Paw Creek	1.75	Swannanoa	1.86
Biltmore	1.85	Forestville	1.00	La Grange	1.00	Peachland	1.75	Swann's	1.25
Black Creek	.75	Four Oaks	1.00	Lake Waccamaw	1.25	Pelham	1.60	Sylva	2.10
Black Mountain	1.85	Franklinsville	1.65	Latimore	2.00	Pembroke	1.50	Tarboro	.50
Bladenboro	1.60	Franklinton	1.00	Laurel Hill	1.50	Pikeville	.75	Taylorsville	1.75
Bogue	1.25	Fremont	.75	Laurinburg	1.50	Pilot Mountain	1.75	Thermal City	2.00
Bostic	2.00	Garland	1.25	Lemon Springs	1.50	Pine Bluff	1.50	Thomasville	1.50
Bridgewater	1.70	Garner	1.00	Lenoir	1.65	Pine Hall	1.50	Tillery	.65
Brinkley	1.10	Gary's	.90	Lewiston	1.25	Pine Level	.90	Tomahawk	1.25
Brown's Summit	1.60	Gaston	1.00	Lexington	1.50	Pineville	1.65	Trinity	1.50
Bryson City	2.10	Gastonia	1.65	Liberty	1.50	Pinnacle	1.75	Troutman	1.75
Buies	1.10	Gates	.65	Lilesville	1.60	Pittsboro	1.50	Tryon	1.90
Bullock's	1.25	Germantown	1.75	Lincoblton	1.75	Pleasant Ridge	1.65	Tunis	.50
Burgaw	1.10	Gibson	1.50	Linwood	1.60	Plotts	1.65	Turkey	1.00
Burlington	1.45	Gibsonville	1.50	Littletown	1.00	Plymouth	.50	Union Mills	2.00
Bushnell	2.10	Glen Alpine	1.70	Louisburg	1.50	Polkton	1.75	University	1.50
Carleen	2.00	Glewood	2.00	Lowell	1.65	Porters	1.65	Vaughan	1.00
Cameron	1.50	Godwin	1.00	Lucama	.90	Price	1.50	Waco	2.00
Canton	1.00	Gold Hill	1.65	Lumber Bridge	1.25	Princeton	.90	Wade	1.00
Cary	1.00	Goldboro	.75	Lumberton	1.60	Raleigh	1.00	Wadesboro	1.60
Carthage	1.75	Goldston	1.50	Lyons	1.25	Ramseur	1.65	Wake (Wake For- est P. O.)	1.00
Castle Hayne	1.10	Goose Nest	.50	Macfarland	1.60	Randleman	1.50	Walkertown	1.50
Catawba	1.65	Graham	1.45	Macon	1.00	Red Springs	1.25	Wallace	1.10
Cedar Falls	1.65	Granite Falls	1.65	Madison	1.50	Reidsville	1.60	Walnut Cove	1.75

CIRCULAR No. 91—Continued.

To	Rate.	To	Rate.	To	Rate.	To	Rate.	To	Rate.
Chadbourne	\$1.25	Greensboro	\$1.60	Magnolia	\$1.00	Rennett	\$1.10	Warren Plains	\$1.00
Chapel Hill	1.40	Greenville	.50	Malden	1.65	Richfield	1.65	Warsaw	1.00
Charlotte	1.10	Greystone	1.00	Manchester	1.25	Richmond	1.50	Waxhaw	1.75
Cherryville	2.00	Griffith	.70	Manly	1.50	Rich Square	1.25	Waynesville	2.00
China Grove	1.65	Grover	1.50	Margarettsville	.90	Ridgeway	1.00	Weldon	.75
Claremont	1.65	Gulford College	1.50	Marion	1.70	Roaring River	1.65	Whitakers	.70
Clarkton	1.40	Gulf	1.50	Marshall	1.90	Robersonville	.50	Whiteville	.25
Clayton	1.15	Gumberry	.00	Marshville	1.75	Rockford	1.65	Whittier	2.10
Clemmons ville.	1.50	Halifax	.90	Matthews	1.75	Rockingham	1.50	Wilkesboro	1.65
Cleveland	1.40	Hamlet	1.50	Maxton	1.50	Rockwell	1.65	Williamston	.50
Climax	1.50	Hardins	1.65	Mebane	1.15	Rocky Mount	.60	Wilmington	1.10
Clinton	1.00	Harrisburg	1.50	Middleburg	1.00	Rocky Point	1.10	Wilson	.75
Clyde	2.00	Hasty	1.50	Millboro	1.65	Roula	1.65	Wilson's Mills	1.15
Concord	1.65	Haw River	1.45	Milton	1.50	Roseboro	1.25	Winston-Salem	1.50
Conetoe	.50	Helena	1.65	Mocksville	1.50	Rose Hill	1.10	Youngsville	1.00
Connelly's Springs.	1.65	Henders on	1.00	Montague	1.25	Rougemont	1.65	Zirconia	2.00
Conover	1.65	Hendersonville	1.00	Moncure	1.25	Rowland	1.10		
Councils	1.60	Hester	1.25	Monroe	1.75	Roxboro	1.65		
Creedmoor	1.25	Hewitt	2.10	Mooresville	1.75	Ruffin	1.60		
Croft	1.65	Hickory	1.65	Morganton	1.65	Rural Hall	1.65		
Cronly	1.60	Hiddenite	1.75	Morrisville	1.25	Rutherfordton	2.00		
Crouse	2.00	High Point	1.50	Morven	1.60	Salisbury	1.60		
Cummock	1.50	Hillsboro	1.25	Mount Airy	1.75	Saluda	2.00		

ORDER No. 92.

RALEIGH, N. C., July 13, 1898.

Be it ordered that on and after the 13th day of July, 1898, the Western Union Telegraph Company shall charge for the transmission of any message one cent less than the rate heretofore fixed and approved by the Railroad Commission; Provided, the sender of the message has affixed the stamp required under Act of Congress.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

ORDER No. 93.

RALEIGH, N. C., July 13, 1898.

WHEREAS, Section 26 of the Railroad Commission Act prescribes a penalty of not less than \$50.00 against any telegraph or telephone company doing business in this State for charging a higher rate for the transmission of any message than that fixed or approved by said Railroad Commission; and, Whereas, the Western Union Telegraph Company has charged, and continues to charge, a higher rate than that fixed or approved by the Railroad Commission;

Resolved, That the Western Union Telegraph Company be, and is hereby notified to appear before the Railroad Commission on July 29th, 1898, and show cause, if any it can, why the penalty incurred for each and every charge since the first day of July, 1898, be not enforced.

Resolved Further, That said Western Union Telegraph Company be, and is hereby required to produce before said Commission on said 29th day of July, 1898, a sworn statement of the number of messages received at its various offices in the State since July 1, 1898, to date of hearing, wherever any amount has been paid to said company or any agent of said company.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

ORDER No. 95.

RALEIGH, N. C., July 13, 1898.

WHEREAS, The Supreme Court of North Carolina has declared the issuing of free passes to certain persons illegal; and, Whereas, this Commission is charged in part with the enforcement of the law.

Therefore, it is ordered that each of the railroad, steamboat, telegraph and telephone companies, doing business in this State, shall furnish to the said Commission,

on or before August 15, 1898, a sworn list of the names of all persons or firms who now hold free passes or franks, as attorneys, agents or adjusters of claims against said companies, respectively.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 96.

RALEIGH, N. C., July 13, 1898.

On and after August 1, 1898, the following changes in the Commissioners' classifications will be in effect :

Bacon in bags same as bacon in wood.

Cotton piece goods, sixth class.

Applicable to all railroads.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 97.

RALEIGH, N. C., July 13, 1898.

On and after August 1, 1898, the maximum freight rate on molasses in barrels or hogsheads on all railroads in this State shall be as follows :

Miles.	Per 100 Lbs.
5 miles.....	\$0. 04
10 miles.....	. 05
15 miles.....	. 05½
20 miles.....	. 06
25 miles.....	. 06½
30 miles.....	. 07
35 miles.....	. 07½
40 miles.....	. 08
45 miles.....	. 08½
50 miles.....	. 09
55 miles.....	. 09
60 miles.....	. 10
65 miles.....	. 10
70 miles.....	. 11
75 miles.....	. 11
80 miles.....	. 12
85 miles.....	. 12

CIRCULAR No. 97—Continued.

Miles.	Per 100 Miles.
90 miles.....	\$0.13
100 miles.....	.14
110 miles.....	.15
120 miles.....	.16
130 miles.....	.17
140 miles.....	.18
150 miles.....	.18
160 miles.....	.19
170 miles.....	.19
180 miles.....	.20
190 miles.....	.20
200 miles.....	.20
210 miles.....	.21
220 miles.....	.21
230 miles.....	.21
240 miles.....	.22
250 miles.....	.22
260 miles.....	.22
270 miles.....	.22

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 99.

(AMENDING CIRCULAR NO. 97.)

RALEIGH, N. C., August 2, 1898.

On and after August 10, 1898, Circular No. 97 shall be applicable to all roads other than those heretofore allowed percentage above Commissioners' Standard Tariff. The roads heretofore allowed percentage above Standard Tariff shall, in applying this tariff, be allowed same percentage.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 100.

(AMENDING CIRCULAR NO. 96.)

RALEIGH, N. C., August 1, 1898.

See Circular No. 96—"Cotton Piece Goods, Sixth Class," is stricken out, and as thus amended Circular No. 96 is effective.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 101.

(CHANGES IN COMMISSIONERS' CLASSIFICATION.)

RALEIGH, N. C., August 30, 1898.

Unginned cotton, packed in bags, 2,000 pounds and over, L. C. L., sixth class.
Unginned cotton, packed in bags or loose, C. L., minimum weight 10,000 pounds.
Class "A," shippers to load and unload.
By order of the Board.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 102.

(AMENDING EXCEPTION SHEET TO CLASSIFICATION, SEPTEMBER 15, 1898.)

RALEIGH, N. C., October 1, 1898.

Cotton seed hulls, pressed in bales or sacks, L. C. L., 25 per cent. higher than C. L.
Effective at once.
By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

CIRCULAR No. 103.

RALEIGH, N. C., October 1, 1898.

Circular No. 101, changing classification on unginned cotton is withdrawn.
By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

BEFORE THE NORTH CAROLINA RAILROAD COMMISSION.

DANIEL L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

vs.

NORTH CAROLINA RAILROAD COMPANY AND THE SOUTHERN
RAILWAY COMPANY, ITS LESSEE.*Complaint for the Reduction of Passenger Rates.*

To the Honorable Board of Railroad Commissioners of North Carolina:

Having been retained by the Governor of North Carolina to represent the people of this State of North Carolina in this behalf, we present this complaint, and respectfully ask that your honorable Board will reduce the intrastate or domestic passenger rates on the North Carolina Railroad Company to $2\frac{1}{2}$ cents per mile for first-class and 2 cents per mile for second-class passengers.

In view of the action of your Honorable Body, in refusing to make a general reduction of passenger rates operating on the three great railroad systems of the State, on account of the supposed meaning and application of the decision of the Supreme Court of the United States in what is known as the Nebraska case, it is deemed advisable that test cases should be at once presented to the courts, in order that it may be definitely determined to what extent your Honorable Board still has the right to regulate fares. It is suggested that the effect of the Nebraska decision has been misconceived, and that it does not prevent this Commission from reducing the passenger rates upon certain of the railroads in the State.

We are advised that the Nebraska decision does not interfere with the proposed action of this Commission. In this case the Railroad Commissioners of Nebraska undertook to reduce the freight rates of certain railroads in that State so low that, instead of receiving a fair compensation for the services rendered by them, they would have operated said railroads at a positive loss.

The case settles several points:

1. A railroad corporation is a person within the meaning of the fourteenth amendment, declaring that no State shall deprive any person of property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

2. A State enactment, or regulations made under the authority of a State enactment, establishing rates for the transportation of persons or property by railroads, that will not admit of the carrier earning such compensation as, under all the circumstances, is just to it and the public, would deprive such carrier of its property without due process of law and deny to it the due protection of the laws, and would therefore be repugnant to the fourteenth amendment of the Constitution of the United States.

3. While rates for the transportation of persons and property within the limits of a State are primarily for its determination, the question whether they are so unreasonably low as to deprive the carrier of its property without such compensation as the Constitution secures, and therefore without due process of law, can not be so conclusively determined by the Legislature of the State or by regulations adopted under its authority, that the matter may not become the subject of judicial inquiry

4. That a reduction of local freight rates so low as to prevent the company from receiving any compensation, is unconstitutional.

5. That the reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property, wholly within its limits, must be determined without reference to the interstate business done by the carrier, or to the profit derived from it. And that the State can not reduce the profits from the domestic business to nothing, because the company is making a fair return on its interstate traffic.

6. That a railroad corporation is not entitled to exact such charges for transportation as will enable it at all times to meet operating expenses, pay interest on its obligations and declare a dividend to stockholders; but the rates must be fixed with reference to the fair value of the property used for the public, or the fair value of the service rendered.

There is one question which was not presented to or passed upon by the Supreme Court in this case. This question is still open, viz: What proportion of the value of the property of a railroad within a State shall be considered as entitled to earn a reasonable percentage of profit on domestic and what proportion on interstate business?

While it is admitted that a railroad company whose property is used in both domestic and interstate commerce is entitled to earn, in respect to the whole of its business a reasonable percentage of profit, must not that percentage of profit be apportioned so that a certain part of it shall be considered as derived from domestic and the balance from interstate business? Then the question arises, By what rule or upon what basis shall this apportionment be made?

Suppose that one-third the volume of a railroad company's freight and passenger business is domestic and two-thirds foreign or interstate. That six per cent upon the entire property of the company is a fair percentage of profit for it to receive for its entire operations, and that, of this, two per cent is made from domestic and four per cent from foreign business. If the company is entitled to receive six per cent upon the value of its entire property on account of domestic business and six per cent on account of foreign business on the same value it will receive twelve per cent in the aggregate, which is excessive. If it is receiving twelve per cent on the whole of its business, one-third of which is derived from domestic traffic, there is nothing in the Nebraska decision to prevent the State from reducing the fares or freights, or both, to such a rate as will enable the company to make but two per cent on the total value of its property out of its domestic business, or, what is equivalent thereto, six per cent on one-third of such total value. If the volume of domestic business is one-fourth of the whole, then the company would be permitted to earn a profit on such business of six per cent on one-fourth of the total value of its property in North Carolina, or one and one-half per cent on the total value thereof. The railroads were built to be used in both domestic and interstate business; they shall be permitted to earn a fair profit upon the proportion of their investment which may be deemed appropriated to that class of business, a total profit being limited to a just per centum of the total investment. And such proportion of the investment of its capital or of the value of its property, is to be deemed appropriated to domestic business, as the volume of such business bears to the whole business of the company. To put it in another way: If a railroad company is earning a profit on all of its business of twelve per cent upon the total value of its property, one-third of which is derived from domestic and two-

thirds from foreign business, and, if six per cent is deemed a fair profit for the company to be permitted to make on all of its business, without question, the Railroad Commissioners would have the power to reduce the domestic or local freights or fares, one or both, to such a limit as would permit the company to receive but two per cent on the total value of the property, inasmuch as two per cent on the value of the property would, under the circumstances be considered a reasonable profit upon such business.

Differently construed, the Nebraska decision would absolutely destroy on every case that most salutary power of the Commission—the power to regulate the freights and fares of railroad companies—for the protection of the public. Construed in this manner, the decision does not prevent the Railroad Commissioners from reducing the fares on some of the railroads in the State.

Moreover, it will be observed that the Nebraska decision does not decide that a railroad must be permitted to make a certain percentage of profit out of every class of its domestic business, as, for example, a reasonable percentage of profit out of its domestic passenger business; a reasonable percentage of profit out of its domestic express business; a reasonable percentage of profit out of its mail service, and a reasonable percentage of profit out of its domestic freight business. It would be beyond the power of the Commission, or the Court, to interfere with the internal management and adjustment of these several matters. They will simply hold that from its domestic business of all kinds, in the aggregate, the company shall not be prevented from receiving a reasonable compensation for such service.

But whether these views upon the legal questions are correct or not, it is all important to the people of North Carolina that the Courts should have an opportunity to pass upon them. This can not be done until a case is presented. But no case can be presented until the Railroad Commission shall undertake, in one or more instances, to fix the fares or freights of a railroad company in the State. No irreparable damage will be done to the companies to be selected, because the rates will not go into effect until the courts shall have investigated and properly decided all questions involved.

What railroads should be selected for the test cases?

1. They should be situated entirely within the State..
2. They should be located in the most populous and productive counties of the State, enjoying the largest domestic or local travel.
3. They should be those having the largest income in proportion to their value.

The North Carolina Railroad Company meets all of these requirements, and presents a favorable subject for one of the test cases.

According to its reports of 1897, this company, with an assessed valuation of	\$3,117,233.00
(Which the company claimed was excessive) received gross earnings from operation for 1896—97,	1,592,217.93
Deduct operating expenses,	1,148,443.59
Income from operation amounted to	443,445.34
Deduct taxes,	24,820.16
And we have remaining a net income or profit from operating expenses of	\$ 418,625.18

This is .1345 per cent on the assessed valuation of the property.

In the absence of more satisfactory information, we will assume that this sum was derived from passenger and other receipts, in the proportion which such receipts bear to each other, according to the company's reports, as appears in the seventh annual report of Railroad Commissioners for 1897, at page 251.

The total passenger revenue was	\$480,991.12
(See Railroad Commission report for 1897, p. 251.)	
The total of other earnings was	1,111,226.81
Making a grand total of	1,592,217.93
Observing this proportion, the profits from passenger service proper in North Carolina, including domestic and interstate, were	126,432.60
And the "profits for other services" were	292,192.58
Total	418,625.18

In the absence of more satisfactory information, it is fair to assume that the domestic and interstate passenger receipts of the North Carolina Railroad, which together amounted to \$480,991.12 (see Railroad Commission Report for 1897, p. 251), is divided in the same proportion as that reported by Mr. Samuel Spencer on page 15 of his affidavit of January 28, 1898. There the local or domestic earnings of a number of railroads of the Southern Railway Company are set down as amounting to 405,952.74

And the total of local or interstate earnings 994,459.58

The domestic passenger receipts of the North Carolina Railroad were thus: $\frac{405,952.74}{994,459.58}$ of \$480,991.12, or \$196,330.00.

A reduction of fares from three and one-quarter to two and one-half cents first-class, and from two and three-quarters to two cents second-class, is an average reduction of about twenty-three per cent, and such reduction affects only the local or domestic passenger fares.

Twenty-three per cent of the domestic passenger receipts—to wit,	\$196,330
Is	44,155

The proposed reduction of passenger rates.

The income from operation, as reported by the railroad company to the Commission, is \$418,625.18.

In the absence of more satisfactory information, it is fair to presume that this income is derived from interstate and domestic receipts in the same proportion as the passenger business is divided, as reported by Mr. Samuel Spencer, on page 15 of his affidavit of January 28, 1898—that is to say:

The part of the net income derived from domestic business is	
$\frac{405,952.74}{994,459.58}$ of	\$418,625.18
Or,	170,871.50
From which subtract the reduction caused by the proposed change of passenger rates,	44,155.00
And we have	126,716.50
As profit on the domestic passenger and freight business.	

Now, if the entire property of the company be valued, after the proposed reduction of passenger rates, at the amount for which it was assessed for taxation,

\$3,117,233, that portion of this sum which, for the purposes of this calculation, is to be deemed as appropriated to domestic business is, according to the ratio between domestic and interstate passenger receipts, set forth in Mr. Spencer's said report, as above, $\frac{\$405,253.74}{\$3,117,233}$ of \$3,117,233, or \$1,272,373. The net profit from domestic passenger and freight business, after deducting the \$44,155 caused by the proposed reduction of passenger rates, is \$126,716.50, which is a profit of over ten per cent on the \$1,272,373 so appropriated to domestic business.

If the property be valued at the sum of \$4,000,000, which is the amount of its capital stock, instead of \$3,117,233, the proportion of said \$4,000,000 to be appropriated to domestic business for the purposes of this calculation, reached as above, would be \$1,632,319, and a profit on domestic business of \$126,716.50 would be a percentage of over seven and three-quarters per cent on \$1,632,319.

When United States four per cent bonds are worth 120, North Carolina four per cent bonds 102, City of Raleigh five per cent bonds 107; Raleigh and Gaston five per cent bonds 105, and N. Y. Central and Hudson River stock, which pays four per cent per annum, 109, and the stock of the North Carolina Railroad Company, which pays a dividend of six and a half per cent, having a market value of above 130, thus making it a five per cent investment, it would seem that five per cent on the value of a railroad company's property is a reasonable income for it to make, and that it can not complain of a reduction of the passenger fares which still permits such profit to be received.

It is claimed by the railroad companies that the expense of domestic business is greater in proportion than the expenses incident to interstate business. The difference, as estimated by one of the most reliable witnesses in the Nebraska case, is about ten per cent. But suppose it is as much as twenty per cent. If the expenses incident to domestic and foreign business were in the same proportion to each other as the receipts from domestic and foreign business are to each other, then, according to the report of the North Carolina Railroad Company, the expenses incident to domestic business (freight and passenger), were about \$133,000 for the year ending June 30, 1897. But, if such expenses are to be increased by twenty per cent thereof, such percentage would be \$26,000. The local freights and fares are higher in North Carolina than the through freights and fares. It is supposed that the difference between the cost of domestic service is somewhat offset by this difference in rate. But, if this be not so, there is still a liberal margin left between the seven and three-quarters per cent-profit, which the company will receive on its domestic freight and passenger business, in spite of the reduction of passenger fares, and a reasonable profit of five per cent to cover this difference in cost, such margin being two and three-quarters per cent of \$1,632,319, or \$43,818.00.

Besides, it must not be forgotten that the practical abolition of the free-pass system in North Carolina will necessarily add thousands of dollars to the revenue of the railroads. This and the income earned by the increase of travel following the reduction of rates, will more than make up for the loss thereby occasioned.

It may be argued that the Southern Railway, having leased the North Carolina Railroad at an annual rental of six and a half per cent on its capital stock of four millions, and taxes, is entitled to a fair profit on its lease, and that the passenger fares can not be reduced so as to make such profit impossible. It is conceived, however, that the question of passenger fare reduction is to be solved without reference to the lease, just as if the railroad were being operated by

the North Carolina Railroad Company, the owner, on its own account. If the Railroad Commission, acting in the interest of the people, have the right to reduce fares, when unreasonable profits are being made by a common carrier, such right can not be abridged or taken away by any action of the owner, either by way of lease or otherwise. If this were not so, a railroad company which is receiving twenty-five per cent on its capital stock, and apprehends a reduction by the Railroad Commission of its freights and fares, can lease its road to a third party for a rental of twenty-five per cent, and thus prevent a reduction of rates so long as the lease continues. We think the lessee, in such a case, would take the property with notice of the power of the Railroad Commission at any time to reduce the freights and fares to such a point as to permit it to make only a reasonable profit. And so the Southern Railway Company took the lease with notice of the power of the North Carolina Railroad Commission to reduce the passenger rates on domestic travel to such a point as that the company should make only a fair profit on that proportion of the actual value of the property, which, for the purposes of this calculation, should be deemed appropriated to domestic business.

It is submitted that the reports which have been filed by the Southern Railway Company with the North Carolina Railroad Commission furnish data concerning the North Carolina Railroad which fully justify the proposed reduction of passenger rates. There is nothing in the affidavit of Mr. Samuel Spencer, or the unsigned statement which has been filed with the Railroad Commission to overcome the prima facie case which their own reports make out against them.

Let us examine the affidavit of Mr. Spencer, on which the Southern Railway relied in its application to rescind the order making the reduction of rates in January last. This order applied to the following railroads of the Southern system, to-wit: The North Carolina Railroad, the Western North Carolina Railroad, the Atlantic, Tennessee and Ohio Railroad, the Piedmont Railroad, the Atlantic and Charlotte Air-Line, the Charlotte, Columbia and Augusta Railroad, and the Northwestern North Carolina Railroad.

It is well known that the Southern Railway Company owns or operates in North Carolina quite a large mileage of railroads under various organizations. Some of them are reported to the Railroad Commission in detail. As to most of these, it is easy to see at a glance that they are either making but little money or are running behind. Quite a number of the roads operated by the Southern Railway Company are reported in connection with other roads in such a way that it is impossible to separate them from each other or to tell anything about them as distinct organizations. The Southern Railway Company, in attempting by the said affidavit to show cause why the fares over said railroads should not be reduced, seems to have contented itself with generalities, failing to give the particulars as to each of the roads affected by its said order, upon which the Commission might act intelligently. But enough appears to make it evident that none of the roads of said system are enjoying the local passenger business of the North Carolina Railroad, and none of them are so able to stand the reduction of the local rates as this road.

Mr. Spencer, in his affidavit, shows how unfortunate the Southern Railway Company has been in North Carolina and in other States in acquiring and operating a large number of roads, which are a source of continual loss to the Company. He shows that the railroads composing his system, as a whole, are

making less on passenger and freight business than the average railroads in the United States, and he argues from these premises that the North Carolina Railroad, which is making the net income of \$418,525.18 is unable to stand the inconsiderable reduction of three-fourths of a cent per mile on its domestic passenger rates. In his argument and estimates he seems to include all the railroads operated by the Southern Railway Company in North Carolina. Among them:

The Asheville and Spartanburg Railroad, with a capital stock of \$1,050,000, and a bonded indebtedness of \$1,000,000, making a total of \$2,050,000, which reports an income on domestic and interstate business of only \$39,863.32.

The High Point, Randleman, Ashboro and Southern Railroad Company, with a capital stock of \$250,000, and a bonded indebtedness of \$402,000—a total of \$652,000—which reports an actual deficit on its operation for 1897 of \$28,059.03.

The North Carolina Midland Railroad, with a capital stock of \$650,000, and bonded indebtedness of \$390,000, making a total of \$1,040,000, which reports an actual deficit on its operation for 1896—7 of \$36,338.32.

The State University Railroad, with a capital stock of \$31,300, which reports a deficit for 1896—7 of \$1,584.65.

The Yadkin Valley Railroad, with a capital stock of \$625,000, and a mortgaged indebtedness of \$115,000, making a total of \$1,340,000, which reports a deficit for operation for 1896—7 of \$45,595.93.

The other railroads operated by the Southern Railway Company in North Carolina were acquired by it in 1894. Among them are: The Charlotte, Columbia and Augusta, the Western North Carolina Railroad, the Northwestern North Carolina Railroad, the Oxford and Henderson Railroad, the Oxford and Clarksville Railroad, and others. They were properties which the Southern Railroad Company acquired chiefly at foreclosure sales, "the object," as Mr. Spencer says, "being to rehabilitate, financially and physically, properties which had decayed in the hands of insolvents." See Mr. Spencer's affidavit, page 3.

The only effect of including these railroads in the results which Mr. Spencer shows forth, is to lower the average rate of profit on the passenger traffic, and make it appear that the North Carolina Railroad Company is in the same condition as the other railroads which are being operated by it at a constant and invariable loss. The fallacy of Mr. Spencer's argument seems to be, that he thinks he has the right to make up out of the earnings of the North Carolina Railroad what, by bad investment or bad management, he loses elsewhere. He shows, in his affidavit, that his Company, after paying fixed charges on all its properties, does not distribute as much as one per cent per annum among its preferred stockholders; but he fails to show why this should entitle him to collect from the citizens of North Carolina rates of freight and fare sufficient to make a thirteen per cent profit on the value of the North Carolina Railroad. He compares the railroad traffic in North Carolina generally with that of other sections of the country, and shows that more money is made elsewhere; but he fails to show how this lessens the princely income of the North Carolina Railroad. He shows that the gross earnings of the North Carolina Railroad have been of late years increased at the expense of the West Point Danville Line. He does not explain how this fact is at all germane to the question under consideration.

Mr. Spencer seems to think that the concession which his Company makes to the public "in the form of mileage books, special excursion fares, ministers'

rates, and other rates made below tariff, will encourage trade and travel," but why should not the slight concession which the Railroad Commission is requested to grant, have the same tendency?

He argues, that as the passenger movement in North Carolina increases, the rate will decrease, but may not the operation be reversed? May not the reduction in passenger fares cause a larger volume of travel in the populous country traversed by the North Carolina Railroad? And may not the loss from domestic fares be more than offset by the abolishment of free passes and the increase of travel? Is not the experiment worth the trial? Certainly the old rates can be restored if, after a fair trial, it shall be deemed advisable.

The unsigned statement which has been filed with the Commission is not calculated to throw any light upon the subject of inquiry. It purports to show the income of the Southern Railway Company in North Carolina on all of its lines for interstate passengers, during the year ending June 30, 1897, and the expenses of the operation chargeable against earnings, including taxes, by which a deficit of \$23,317.00 is figured out. There are two criticisms to be made of it. First, it is but an estimate. There are no means of accurately dividing the expense between freight and passenger traffic. And, after this is done, it is quite as difficult to determine how much was spent in through passenger and how much in local or domestic passenger service. This arises from the fact that there are so many expenses which can not be kept separate. Second, if the estimate were at all reliable, it would not assist in solving the question whether the North Carolina Railroad can stand a reduction of passenger rates, because it is idle to compare the condition of the North Carolina Railroad with that of other roads which are included in this estimate, and which are being operated at a loss. No one who has considered for a moment the immense net revenue received by the North Carolina Railroad can be made to believe that a fair proportion does not come from the tremendous local travel which daily fills its trains to overflowing.

Respectfully submitted,

(Signed)

JOHN W. HINSDALE,
C. A. COOK,
W. C. DOUGLASS,

Attorneys for the State of North Carolina.

April 20, 1898.

Col. A. B. Andrews, First Vice-President Southern Railway, Raleigh.

Dear Sir:—I am directed by the Board of Railroad Commissioners to furnish you with copy of complaint by D. L. Russell, Governor of North Carolina, against the North Carolina Railroad Company and the Southern Railway, its lessee, asking that the rate of charges for the transportation of passengers over the North Carolina Railroad be reduced, copy of complaint and petition herewith.

I am further directed to serve notice on you to show cause before the Board of Railroad Commissioners, at Raleigh, N. C., on the 16th day of May, next, why the prayer of the petitioner should not be granted. You will take due notice thereof.

Very respectfully,

H. C. BROWN, Clerk.

April 22, 1898.

[Seal.]

BEFORE THE NORTH CAROLINA RAILROAD COMMISSION.

D. L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

against

NORTH CAROLINA RAILROAD COMPANY AND SOUTHERN
RAILWAY COMPANY, ITS LESSEE.

ANSWER OF SOUTHERN RAILWAY COMPANY.

The complaint entitled as above is an argument for a reduction of passenger fares now charged on the North Carolina Railroad. These fares, among others, have recently been the subject-matter of a thorough investigation and decision upon the part of your Honorable Commission. During that investigation the Southern Railway Company presented a statement, dated January 26, 1898, of facts and conditions surrounding the passenger traffic on its lines within the State of North Carolina, including the North Carolina Railroad, to which statement, a copy of which is hereto annexed marked Exhibit "A," and to the argument then presented, special reference is now again made. Since the presentation of that statement and the decision rendered by your honorable Commission sustaining the reasonableness of the rates of fare then and now charged by the Southern Railway Company on said lines in the State of North Carolina, including the North Carolina Railroad, the general conditions affecting passenger traffic on said lines have remained substantially unchanged.

Until these conditions shall have materially changed, the question now sought to be once more put at issue is res adjudicata in this tribunal. The burden is therefore upon the complainant to show that such a change has taken place as to warrant a reinvestigation of the issue at this time. We look in vain to the complaint for such a showing of facts or conditions as to warrant any change in the decision recently made by this Honorable Commission.

There are no allegations as to such material changes, but it is claimed as a basis for the complaint that as certain nice points of law as to the power and duties of Railroad Commissions remain undetermined by the highest judicial tribunals, your honorable Commission should reverse its previous decision without any change in the facts or conditions on which it was based, in order that these points of law may be decided in respect to the issue already determined by you.

While the Southern Railway Company is willing at all times to accept a fair judicial determination of any point affecting its obligations to the public, it respectfully submits to your Honorable Board that the issue now to be considered is not the necessity for a determination by higher Courts of a nice point of law, but it is a question of fairness to the railway interests within the State of North Carolina, and of the material welfare and prosperity of the people of the State in the matter of their needs and convenience in respect to the best attainable railway service.

The argument of the complainant proceeds upon a series of assumptions, which it will be shown are almost entirely erroneous.

These arguments, as we understand them, may be summarized thus:

FIRST.

It is alleged:

1. Southern Railway Company operating North Carolina Railroad is entitled

to a reasonable profit only upon "the fair value of the property used by the public."

2. The "fair value of the property used by the public," with respect to the North Carolina Railroad, is the assessed value thereof, i. e., \$3,117,233; or else the par value of the capital stock of the North Carolina Railroad Company, i. e., \$4,000,000.

Therefore, Southern Railway Company, operating North Carolina Railroad, is entitled to a reasonable profit upon \$3,117,233, but not in any event upon more than \$4,000,000.

SECOND.

It is alleged:

1. More than five per cent per annum upon "the fair value of the property used by the public" is an unreasonable profit to Southern Railway Company, operating North Carolina Railroad.

2. The net earnings from operation of the North Carolina Railroad for 1897 were \$418,625.18, which is 13.45 per cent of \$3,117,233, which it is claimed is the fair value of the property used by the public.

Therefore, Southern Railway Company, operating the North Carolina Railroad, is making an unreasonable profit.

THIRD.

It is alleged:

1. It is not unreasonable for the North Carolina Railroad Commission to reduce intrastate or domestic fares on the North Carolina Railroad, if the reduced fares, taken in connection with the net returns from that road for all other intrastate or domestic business will yield a reasonable return upon the fair value of the property used by the public in intrastate or domestic business.

2. First-class fares for two and one-half cents per mile and second-class fares of two cents per mile would yield Southern Railway Company, operating the North Carolina Railroad, a net return of over ten per cent, or over seven and three-quarters per cent per annum upon the fair value of the property used by the public in intrastate or domestic business, according as such fair value is estimated upon the assessed valuation of the property, or the par value of the capital stock of the North Carolina Railroad Company.

Therefore, it is not unreasonable for the North Carolina Railroad Commission to reduce intrastate or domestic fares on the North Carolina Railroad from three and one-quarter to two and one-half cents per mile first-class; from two and three-quarters to two cents per mile second-class.

It will now be shown that the essential premises upon which these arguments are based are erroneous assumptions, and that the conclusions deduced therefrom are not justified.

I.

THE VALUE AT WHICH RAILROAD PROPERTY IS ASSESSED FOR TAXATION IS NOT THE REAL VALUE OF THE PROPERTY.

It will be noted that the chief assumption of the argument of the complainant is that a railroad company is entitled to earn a reasonable return only upon the value of its property as assessed for taxation—that is to say, that the determination of what is a reasonable rate is a simple mathematical deduction when once the tax assessor has done his work.

Your Honorable Commission knows that this is untrue; and the counsel for the complainant themselves recognize that their theory is not conclusive, for their analysis of the Nebraska decision shows that in their opinion the Supreme Court has established the theory that

“rates must be fixed with reference to the fair value of the property used
“for the public, or the fair value of the services rendered.”

And yet, in the body of their argument, no allowance whatever is made for the fair value of the service rendered.

In the Nebraska case, the Court defines the method of ascertaining the fair value of the property being used by the railroad company for the convenience of the public, as follows:

“the original cost of construction, the amount expended in permanent
“improvements, the amount and market value of its bonds and stock, the
“present as compared with the original cost of construction, the probable
“earning capacity of the property under the particular rates prescribed by
“the statute, and the sum required to meet operating expenses, are all mat-
“ters for consideration.”—*Smyth v. Ames*, 169 U. S., 466.

There is nothing said here as to the value of the property as assessed for taxation.

It can not be urged that an assessment of the value of the property for taxation is an assessment of the real value thereof, even if the tax assessors take into consideration the same elements² in determining the taxable value of a railroad that the courts must take into consideration in determining the fair value thereof, as a basis of rates. No tax assessor ever lawfully reported the full value of property as a basis for taxation.

The valuation of property for taxation is a valuation made in comparison with that of all other property to be similarly and simultaneously taxed. The assessed value, therefore, may be too high and still be below the real value of the property.

The assessed valuation of property can never be safely taken as a standard of values for other purposes.

It was said by Clark, J., in the United States Circuit Court:

“It is a matter of familiar and common knowledge with every citizen of
“the State that the ordinary forms of real and personal property are as-
“sessed for general taxation at a percentage ranging from fifty to seventy-
“five per cent of actual value. This is a general system. This has been
“the practice acquiesced in by the Legislature and Executive departments
“of the government from an early day in the State’s history; with full
“knowledge of this method of assessment, the Legislatures of the State
“have recognized the custom, and, in the exercise of the taxing power,
“the varying demands of the State from time to time for revenue have been
“met by legislation directed not to a higher rate in assessment, but to a
“variation in the rate of levy. This is a long, well-understood and well-
“settled usage.”—*The Railroad and Telephone Companies v. Board of*
Equalizers, 85 Fed. Rep., 302.

As the assessed value of property is from fifty to seventy-five per cent of its real value, the fallacy of the principal assumption upon which the computations in the complaint are based is at once apparent.

II.

THE PAR VALUE OF THE CAPITAL STOCK OF THE NORTH CAROLINA RAILROAD COMPANY IS NOT THE "FAIR VALUE" OF THE NORTH CAROLINA RAILROAD.

It is equally fallacious to base the percentage of "net profit" which the complainant would allow Southern Railway Company for its operation of the North Carolina Railroad, upon a valuation thereof at \$4,000,000, which is the par value of the stock of the North Carolina Railroad Company.

In the Nebraska case the Court specifically negated this assumption, saying:

"The apparent value of the property and franchises used by the corporation, as represented by its stock, bonds and obligations, is not alone to be considered when determining the rates that may be reasonably charged."

But even were this to be the basis, the par value of the stock should not be considered, but rather the real value thereof, and it appears from the complaint that this stock is now worth 130 (and this may well be so of a stock that now receives six and one-half per cent per annum and in a few years will receive seven per cent for nearly one hundred years), so that the stock valuation of the North Carolina Railroad, upon the complainant's own figures, is about \$5,200,000.

But this proceeds upon the theory that the value of the North Carolina Railroad to the stockholders thereof is the fair value of the investment of the Southern Railway Company in the property, which should here be considered. It is necessary, therefore, for clear understanding that the distinction of what is the investment of the Southern Railway Company in the property should be emphasized.

The revenue to be affected by any action of this Commission is the revenue of Southern Railway Company, not that of the North Carolina Railroad Company. The fares now charged on the North Carolina Railroad are charged by Southern Railway Company, and not by North Carolina Railroad Company. Therefore, the value of the North Carolina Railroad to the stockholders of the North Carolina Railroad Company, which is measured by their dividends, and which dividends are measured by the rental paid by Southern Railway Company, and not by the revenue derived from operation of the property or from the rates charged thereon, is not the value upon which alone the charges of Southern Railway Company should be regulated. What should be considered here is the fair value of the investment of the Southern Railway Company in, and in connection with, the property and the service rendered by the Southern Railway Company to the public. In such consideration the elements which must be treated under the reasoning of the Nebraska decision are:

(a) The amount paid in rental by Southern Railway Company.

(b) The amounts invested by Southern Railway Company and its predecessor, to whose rights it has succeeded, in permanent improvements to the property during the full term of the leases, old and new—that is to say, since 1871.

(c) The amounts expended by the Southern Railway Company and its predecessor, in connection with the property within or without the State, such as the establishment of terminals and other facilities necessary for securing traffic to be moved over the North Carolina Railroad.

It is, of course, for judicial determination whether these permanent improve-

ments have been economically and prudently made, and to what extent they are to be considered and to be capitalized in connection with the rental, in determining the fair value of the investment.

Southern Railway Company invites such an investigation, but it is sufficient to point out here that all these elements must be considered, and that the investment of Southern Railway Company in the property is something very different from the investment of North Carolina Company therein. This is necessary, because the complainant assumes throughout his argument that they are the same.

III.

THE RELATION OF THE "CITIZENS OF NORTH CAROLINA" TO THE NET EARNINGS OF THE NORTH CAROLINA RAILROAD.

The complaint sets forth the fact that the earnings of the North Carolina Railroad for the year ended June 30, 1897, as reported to the North Carolina Railroad Commission by Southern Railway Company, were:

Gross earnings for passenger service,	\$480,991.12
Gross earnings from other sources,	1,111,226.81
Total gross earnings,	1,592,217.93
Deduct operating expenses and taxes,	1,173,592.75
Leaving as net earnings,	418,625.18

Upon this statement of net earnings, amounting to \$418,625.18, being 13.45 per cent of the taxable value of the property, the complaint bases the following statement, referring to the paper filed by the President of the Southern Railway Company, under date of January 26, 1897:

"He shows in his affidavit that his company, after paying fixed charges
 "on all its properties, does not distribute as much as one per cent per annum among its preferred stockholders, but he fails to show why this
 "should entitle him to collect from the citizens of North Carolina rates of
 "freight and fare sufficient to make a thirteen per cent profit on the value
 "of the North Carolina Railroad,"

thereby suggesting as a fact that the citizens of North Carolina contribute the entire net earnings of the North Carolina Railroad as reported.

In disproof of this most unwarranted suggestion, your honorable Commission is referred to the statement made by Southern Railway Company, dated January 26, 1898, and from which the complaint quotes largely.

Of the \$418,625.18 shown as net earnings, only \$89,473.43 was derived from intrastate traffic, and it may be noted as against this that the State of North Carolina, as a stockholder, derives an annual income from the property of \$195,000.

The remainder of the \$418,625.18 net earnings of the North Carolina Railroad, as reported above, after deducting the sum of \$89,473.43, was largely derived from traffic which would have moved over other Southern Railway lines if the North Carolina Railroad had not been leased to the Southern Railway Company. This was interstate business which the Southern Railway Company, with its extensive system of railroads throughout the Southern States, and machinery for soliciting and collecting freight at all the large business centers, North and South, was able to collect and forward. It was largely business

moving from Eastern or Western or extreme Southern cities, which, in no event, could have passed over the North Carolina Railroad, had it not been so routed by Southern Railway Company. Had the North Carolina Railroad been operated independently, it could not have obtained even a share of the traffic which yielded to Southern Railway Company more than one half of the sum shown as net earnings of the North Carolina Railroad, nor could any of the other connections of the North Carolina Railroad have controlled and routed this traffic by way of the North Carolina Railroad.

The net earnings of the North Carolina Railroad as shown are, therefore, derived only in small measure from payments made by the citizens of North Carolina. They chiefly come from traffic supplied by the Southern Railway Company from sources entirely beyond the reach of any other possible owner or lessee of the North Carolina Railroad.

IV.

OTHER ERRONEOUS ASSUMPTIONS IN THE COMPLAINT.

One of the principal contentions of the complaint, as stated hereinbefore, is that, if the passenger fares were reduced as prayed, Southern Railway Company would still be making a net profit from intrastate traffic of over ten per centum upon the fair value of the North Carolina Railroad. This figure is reached by computations based upon a series of assumptions which we will now consider in detail.

First Assumption.—It is assumed that the proportion of net passenger earnings to net earnings from all sources is the proportion which gross passenger earnings bear to gross earnings from all sources. Upon this assumption it is computed that the “profits from passenger service” amounted to \$126,432.60.

The fact is, that the expenses pertaining to the passenger service are larger in proportion to the gross earnings than are the expenses pertaining to freight and other service. The assumption and the deduction therefrom are, therefore, entirely erroneous and of no value.

Second Assumption.—Having thus assumed to ascertain the “profits from passenger service,” it is next assumed that the proportion of intrastate or domestic passenger earnings of certain Southern Railway lines in North Carolina to the gross passenger earnings of the same lines, as heretofore reported by Southern Railway Company, is the proportion which the intrastate or domestic earnings from the North Carolina Railroad bear to the gross earnings of the North Carolina Railroad.

Upon this assumption it is computed that: Gross intrastate or domestic passenger earnings on North Carolina Railroad in 1896—7, were \$196,330.00; while the fact is that such earnings, as carefully computed from the ticket reports, were \$297,989.20.

Third Assumption.—It is next assumed that the net earnings from all intrastate traffic, both passenger and freight, upon the North Carolina Railroad are that proportion of the total net earnings of that road (\$418,625.18) which the reported intrastate passenger earnings upon certain of the lines of Southern Railway Company in North Carolina bear to the total passenger earnings of such lines.

Upon this assumption it is computed that: Net intrastate or domestic earnings from all sources on North Carolina Railroad in 1896—7 were \$170,871.50; while the fact is, that they were, as heretofore stated, \$89,473.43.

The explanation of this wide divergence between the computation of the complainant based upon assumptions, and the fact is found upon examination of the fallacious grounds upon which the complainant's grounds are based, viz:

(a) That the relative proportions of interstate and intrastate earnings upon the North Carolina Railroad are the same as those upon the other Southern Railway lines in North Carolina.

The complaint itself specifically repudiates this by arguing that it is idle to compare the North Carolina Railroad with other railroads in North Carolina which do not earn its "princely income" and handle its "immense local traffic which daily fills its trains to overflowing."

(b) That the intrastate freight business bears the same relation to the total freight business that the intrastate passenger business bears to the total passenger business.

The facts are, that the intrastate freight earnings of the North Carolina Railroad were nineteen per cent of the total freight earnings, while the intrastate passenger earnings were sixty-two per cent of the total passenger earnings.

(c) That the intrastate business is handled at the same ratio of expenses to earnings as the through or interstate business.

The complaint itself sets forth the evidence in the Nebraska case that the ratio of expenses to earnings in intrastate business is from ten to twenty per cent greater than in through business.

As, therefore, none of these premises is even approximately true, the computations based on the third assumption are, of course, valueless.

The actual gross and net earnings from intrastate traffic on the North Carolina Railroad are shown in detail in the statement hereinafter set forth. Such intrastate net earnings, before deducting any proportion of taxes, amounted to \$97,423.33 for the year 1896-7, and after deducting the proportion of taxes based upon the percentage of intrastate earnings to total earnings (such proportion of taxes amounting to \$7,949.90), the intrastate net earnings were \$89,473.43. The amount estimated in the complaint as the intrastate net earnings (\$170,871.50) is, therefore, \$81,398.07 in excess of the actual net earnings, and this fact alone vitiates the entire argument of the complaint respecting the relation of the supposed profits from the operation of intrastate traffic to the amount of interest upon the valuation of the property.

Fourth Assumption.—Having assumed to ascertain by the second assumption the amount of the gross intrastate or domestic passenger earnings on the North Carolina Railroad in the sum of \$196,330, it is next estimated that the proposed reduction of fares from three and one-quarter to two and one-half cents per mile first-class, and from two and three-quarters to two cents per mile second-class, is an average reduction of about twenty-three per cent, which yields as a result the sum of \$44,155 as the total amount of the proposed reduction of passenger earnings.

This percentage of proposed reductions is not accurate. Correctly stated it would be: On first-class fares, 23.08 per cent; on second class fares, 27.27 per cent; on an average, roughly speaking, of 25 per cent.

It has been shown above that the actual intrastate passenger earnings from the North Carolina Railroad in 1896-7 amounted to \$297,989.20. Twenty-five per cent of this would be \$74,497, or about \$30,000 in excess of the estimate of the proposed reduction as made in the complaint.

V.

IT IS NOT REASONABLE TO CONSIDER THE NORTH CAROLINA RAILROAD SEPARATELY FROM THE OTHER LINES IN NORTH CAROLINA OPERATED BY SOUTHERN RAILWAY COMPANY.

The complaint acknowledges that there are certain roads in the Southern Railway system in North Carolina which could not bear any reduction of their revenue; but it proposes to reduce the revenue of Southern Railway Company upon the North Carolina Railroad, because the traffic over that road is alleged to be heavy, and because therefore, it must be unlawfully profitable. This proposition is essentially unfair. The Southern Railway Company is doing for the State of North Carolina what only a great railroad company can do, viz: It is able to maintain weak and unprofitable branch lines and give the people dependent thereon for their communication with the rest of the world an efficient and safe train service.

If these branch lines were separated from the large system and were operated independently, the result would be soon evident to the cost of the people who use them. The time was when the State itself, as well as the counties and towns, recognized this, and granted aid by way of subscription of bonds, with immunity from taxation and other privileges to railroad companies, to induce them to build and to enable them to maintain the lines so much desired. This aid is now withdrawn although the necessity for it still exists, for the roads in North Carolina are not yet all self-sustaining. Lacking State aid, therefore, and lacking traffic which would make possible the continued safe and efficient operation of these weak branches, that modern development called the railroad system assumes the burdens and furnishes what the State and its citizens could not otherwise enjoy. This aggregation of small railroads into one great whole, increases the efficiency of each constituent part by reducing the expenses of operation of all.

The only aid which such a system asks from the State, which once was so lavish in aid, is a just conservation of its rights in adjusting rates to the circumstances and conditions of the traffic as a whole. With this aid only, and by taking into one account the profitable and unprofitable lines, all can be satisfactorily operated. This is the method of all large business enterprises, and it is fair to all concerned. The people of North Carolina gain by it good service over the entire system, where otherwise they would be compelled to accept inferior if not unsafe service over many parts of it.

More than this, the complaint analyses one of the points established by the Nebraska decision as follows:

“That the reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property, wholly within its limits, must be determined without reference to the interstate business done by the carrier, or to the profits derived from it. And that the State can not reduce the profits from domestic business to nothing because the company is making a fair return on its interstate business.”

If a State is proscribed from reducing the profits on one class of business on the sole ground that the company is making a fair return on another class of its business, is it not equally true that a State is proscribed from reducing the

profits of a company from all its business within the State on the sole ground that it is making more from one part of its property than from the others? The test supplied by the Nebraska decision is that the State is limited to regulate the returns of a company from all its business and from all its investments within the limits of the State.

And applying this to the Southern Railway Company we find that the North Carolina Railroad does not yield all the return, nor does it constitute the entire investment of Southern Railway Company in North Carolina. Southern Railway Company operates 1,123 miles of road in North Carolina, of which the North Carolina Railroad constitutes only about one-fifth. On all these 1,123 miles of road the people of North Carolina deal with one management only. All the earnings of such lines go into and are mingled in a common treasury, and all the expenses and obligations of these lines, including the rental paid for the North Carolina Railroad, are paid from a common fund. This being true, the observation of the old charter limits of the various lines is without significance in determining the reasonableness or unreasonableness of rates. The lines are not operated as divisions based upon their charter limits. Train crews and management do not change when a through Southern Railway train passes, for instance, off the Piedmont Railroad upon the North Carolina, or off the North Carolina Railroad upon the Atlanta and Charlotte Air Line. The Southern Railway Company is a homogeneous system. It is not a disjointed congeries of separate organizations, and it would be as unreasonable, therefore, to reduce rates upon any one mile of road on the North Carolina Railroad as compared with another, as it is to make reductions in rates of fare upon any special portion of the Southern Railway system in North Carolina, without due regard to the earnings of the whole.

Again, it is held in the Nebraska case:

"If it would be unreasonable to reduce the total earnings of these roads twenty nine and one-half per cent, it is at least *prima facie* equally unreasonable to so reduce any single fractional part of such earnings."

So, if it is unreasonable to reduce the total earnings of Southern Railway Company in North Carolina by reducing the rates on certain branch lines, it is equally unreasonable to reduce such total earnings by reducing the earnings from the North Carolina Railroad, which constitute a single fractional part of such total earnings.

If the State of North Carolina wishes to treat the North Carolina Railroad as a separate and independent concern, and without regard to the other Southern Railway properties in the State, it should follow out the logic of this theory. The State has tried the experiment of independent operation of this property. It knows by experience what is the stress of competition, and to what expense competing railroads are driven to get traffic. And more than this, it should know that Southern Railway Company is now routing over the North Carolina Railroad—and thereby swelling the apparent earnings of that property—a large volume of through business which is collected entirely outside of the State of North Carolina. This business is under the sole control of Southern Railway Company, and a large portion of it has been by it arbitrarily diverted from the line by way of Danville and West Point, and could be by it again returned to that line, if it did not control North Carolina Railroad, thereby materially decreasing the amount now shown as the income of that property.

This is the meaning of the figures and statements heretofore filed by Southern Railway Company with this Commission, and which the complainant does not consider germane to the question at issue, but to which reference is hereby again specifically made.

VI.

TRAFFIC WILL NOT INCREASE IN PROPORTION AS RATES ARE REDUCED.

The complainant urges that the converse of the proposition maintained by Southern Railway Company that, as business increases rates will be reduced, is also true. This is as fallacious as other assumptions in the complaint.

It has been shown in the statement of the Southern Railway Company to your honorable Commission, dated January 26, 1898, pages 17 to 21, that the State of North Carolina has a sparse population in proportion to its area—namely, an average of only thirty three inhabitants to each square mile of territory—and that in proportion to its population the local passenger fares in that State are now as low or lower than those of any other community in the United States.

It is a recognized fact that the effect of a radical reduction of rates upon a railroad serving a population chiefly agricultural, and whose large towns are widely separated, would not be to materially increase the relative number of passengers traveling and that, therefore, there would be substantially no compensation to the Southern Railway Company for a radical reduction in rates upon the North Carolina Railroad. Consequently, under the existing conditions of population, the effect of such reduction would be a loss of twenty-five per cent in the gross intrastate passenger earnings of said road, involving a loss of about \$74,000 in its net earnings from such intrastate traffic.

The effect of such a reduction of rates in a thickly-settled region might, under favorable conditions, result in a shifting of residence from urban to suburban localities, or in greater intercourse for commercial purposes between active business centers, and might thus produce increased net earnings to railroads serving a large population. But in a sparsely-settled region any permanent or considerable increase in local travel must result chiefly from gradual increase in population. With such increase in population, experience shows, passenger fares will, undoubtedly, be naturally and gradually reduced. This natural and gradual reduction has been practically continuous in North Carolina in the past, as set forth in the said statement of January 26, 1898 (pp. 21 to 23), the reduction on the North Carolina Railroad having been from three and three-quarters cents per mile, first class, and three and one-quarter cents per mile, second class, in 1887, to three and one-quarter and two and three-quarters cents, respectively, in 1898.

VII.

RATES ONCE REDUCED CAN NEVER BE RESTORED.

It is a mistake to urge, as a ground for reducing rates, as does the complaint, that the old rates could be restored after experiment, if the reduced rates are found to be unjust. In attempting to prophesy the effect of new rates the experience of railroad managers should be given weight, and the matter decided

upon the merits and the evidence. Too much is involved to risk unjust and unreasonable loss to vested interests for the sake of a theoretical experiment. And no one with any practical railroad experience would suggest that rates once reduced can again be increased. The history of rates is a history of an incessant decrease.

VIII.

THE PROPOSED REDUCTION IS UNREASONABLE, BECAUSE IT WOULD RESULT IN COMPELLING SOUTHERN RAILWAY COMPANY TO DO BUSINESS ON THE NORTH CAROLINA RAILROAD FOR LESS THAN A REASONABLE RETURN UPON THE FAIR VALUE OF ITS INVESTMENT.

If the proposed reduction were put into effect it would result in confiscation of the property of Southern Railway Company without compensation and without due process of law.

The following statement demonstrates this:

STATEMENT of Results of Intrastate Traffic over the North Carolina Railroad as operated by Southern Railway Company for Year ended June 30, 1897.

EARNINGS—		
Passenger.....		\$297,989.20
Freight.....		179,397.36
Mail.....		17,162.28
Express.....		11,173.07
Miscellaneous.....		4,344.28
Total.....		510,066.19
OPERATING EXPENSES—		
Maintenance of way and structures.....		71,824.48
Maintenance of equipment.....		72,938.20
Conducting transportation.....		245,294.29
General expenses.....		22,585.89
Total.....		412,642.86
Surplus of earnings over operating expenses.....		97,423.33
Total taxes.....	\$24,820.16	
Total rental.....	266,000.00	
Total taxes and rental.....		290,820.16
Deficiency of Intrastate net earnings in meeting total taxes and rental.....		193,396.83

If, however it be considered proper that the intrastate traffic should be charged with only a part of the taxes and rental based upon the proportion of intrastate earnings to total earnings, the results would be stated as follows:

Surplus of earnings over operating expenses as above		\$97,423.33
Total taxes	\$24,820.16	
Intrastate proportion, based upon percentage of intrastate gross earnings to total earnings of road from all sources, 32.03 per cent		7,949.90
Intrastate net earnings on that basis		89,473.43
Total rental	266,000.00	
Intrastate proportion, based upon percentage of intrastate gross earnings to total earnings of the road from all sources, 32.03 per cent		85,199.80
Surplus, on that basis		4,273.63

- If the first-class intrastate passenger rates should be reduced from three and one-quarter to two and one-half cents per mile, the percentage of reduction would be 23.08 per cent.

And if the second-class intrastate rate should be reduced from two and three-quarters cents to two cents, the percentage of reduction would be 27.27 per cent.

Or, roughly speaking, an average reduction of say 25 per cent.

Twenty-five per cent of the actual intrastate passenger earnings for the year ended June 30, 1897 (\$297,989.20), is \$74,497.

To paraphrase Mr. Justice Harlan's remarks in the Nebraska decision, where a reduction of twenty-nine and one-half per cent of the intrastate receipts of the railroad companies was held to be prima facie unreasonable, "What would any business man, engaged in any business of a private character, think of a compulsory reduction of his receipts to the amount of twenty-five per cent?"

Further results produced by such proposed reduction in rates of fare, may be stated as follows:

The surplus from operation of intrastate business, after deducting a portion of the total taxes and rental, ascertained upon the percentage of intrastate earnings to the total earnings of the road from all sources, as stated above, for the said year was \$4,273.63. If such reduction in rates had been in effect in said year, there would have been a reduction in intrastate passenger earnings of about twenty-five per cent, or \$74,497.30, which would have resulted in a deficiency in earnings from intrastate traffic in meeting its proportion of taxes and rental amounting to \$70,223.67.

The intrastate earnings shown in the above statement are the actual figures, compiled from original reports of the movement of traffic.

The total expenses of operating the entire traffic, both interstate and intrastate, of the North Carolina Railroad for the year ended June 30, 1897, excluding taxes, amounted to 72.15 per cent of the entire gross earnings of that road.

The operating expenses, exclusive of taxes, computed as chargeable to the strictly intrastate traffic amounted to 80.89 per cent of the gross intrastate earnings. The ratio of intrastate expenses to earnings was thus only about eight and three-quarters per cent in excess of the ratio of the total expenses of the road to the total earnings from all sources.

It should here be noted that in the Nebraska case the lowest estimate of the expense ratio appertaining to local traffic was ten per cent in excess of the general average expense ratio. The complaint recognizes a possible excess of twenty per cent in such expense ratio.

CONCLUSION.

To sum up, therefore, it has now been demonstrated:

(1) That the real question here involved is as to whether or not passenger rates now charged on the North Carolina Railroad are reasonable or unreasonable.

(2) That this question has been recently considered by this honorable Commission, and that the present rates have been declared to be reasonable.

(3) That there can be no new cause for a reinvestigation of the subject until a change has taken place in the circumstances and conditions surrounding traffic in North Carolina, and that the complaint shows no such new cause, the fact being that the conditions of traffic are substantially the same as those which controlled the previous decision of this honorable Commission.

(4) That what the complaint does show is not a true statement of fact, but an argument based upon a series of erroneous assumptions, the principal of which are the following:

(a) It is assumed that in regulating the rates of Southern Railway Company this honorable Commission may base such regulation either upon the assessed value of the property of the North Carolina Railroad Company, or upon the par value of the capita' stock of the North Carolina Railroad Company, while the true basis is the fair value of the investment of the Southern Railway Company in, and in connection with, the property, including its obligation to pay rent under the lease, and of the service performed by the Southern Railway Company for the public.

(b) It is assumed that the sum of \$418,625.18, shown as net earnings from the North Carolina Railroad, was contributed by the "citizens of North Carolina." while in fact only \$89,473.43 of this sum represents net earnings made from intrastate or domestic traffic, the remainder being derived from interstate business, to procure which Southern Railway Company has made large independent investments.

(c) It is assumed that the net earnings from the North Carolina Railroad, as shown, represent "profit" to the Southern Railway Company, while in fact the Southern Railway Company is required to deduct from this sum charges for rental, taxes and interest, all of which should be considered in determining whether Southern Railway Company is making a fair return upon its investment.

(5) That this honorable Commission should not attempt to regulate the proceedings of Southern Railway Company on the North Carolina Railroad alone and without reference to other Southern Railway lines in North Carolina, as the control of that property is only a fractional part of the entire investment of the Southern Railway Company in North Carolina.

(6) That the reduction of passenger rates on the North Carolina Railroad, proposed by the complainant, which would involve an annual reduction in net earnings to the Southern Railway Company of about \$74,000, and would result in compelling Southern Railway Company to perform the intrastate service on the North Carolina Railroad at a loss, is unreasonable and confiscatory.

In consideration of all of which it is respectfully submitted that the complaint should be dismissed.

Dated this 8th day of June, 1898.

SOUTHERN RAILWAY COMPANY,
By SAMUEL SPENCER, President.

W. A. HENDERSON,
FAIRFAX HARRISON,
Cf Counsel.

EXHIBIT "A."

BEFORE THE NORTH CAROLINA RAILROAD COMMISSION.

IN THE MATTER OF THE FARES FOR THE TRANSPORTATION OF PASSENGERS.

Southern Railway Company having been notified to show cause before this Honorable Body why the fares for the transportation of passengers over the lines in North Carolina, described as follows: The Western North Carolina Railroad, the Atlantic, Tennessee and Ohio Railroad, the North Carolina Railroad, the Piedmont Railroad, the Atlanta and Charlotte Air-Line, the Charlotte, Columbia and Augusta Railroad, the Northwestern North Carolina Railroad, should not be reduced, respectfully submits the following statement of reasons why such reduction should not be made:

RATES MUST BE REASONABLE.

The power of this Commission over the matter at issue is the provision of the law of North Carolina, ratified March 5, 1891, that the Commission shall "make reasonable and just passenger tariffs." A passenger tariff made by this Commission must, therefore, be "reasonable and just;" and it is not necessary to demonstrate that this means that the tariff must be just to the carrier at the same time that it is just to the passenger.

The Supreme Court of the United States has so held (*Reagan v. The Farms Loan and Trust Company*, 154 U. S., 362).

What was said by the Court in that case is applicable to this matter, and expresses the confidence of the respondent in the decision of this matter when the Commission realizes from the following statements what will be the consequences of their proposed action to the railroad company operating the largest mileage of any carrier within the borders of North Carolina.

Says Mr. Justice Brewer, speaking for the Court:

"It is enough to say in respect to these matters, at least so far as this case is concerned, that it is not to be supposed that the legislature of any State, or a Commission appointed under the authority of any State, will ever engage in a deliberate attempt to cripple or destroy institutions of such great value to the community as the railroads, but will always act with the sincere purpose of doing justice to the owners of railroad property, as well as to other individuals."

I.

THE PRESENT PASSENGER RATES ARE REASONABLE BECAUSE THEY DO NOT YIELD MORE THAN A REASONABLE RETURN TO THE CARRIER.

In what follows it is not proposed to discuss merely the original proposition that the owners of railroad property are entitled to earn a fair return upon the present value of their property. The standard of measure of the value of railroad property is difficult to determine. While it might be shown that Southern Railway Company has not yet in any year earned a fair return upon the value of its property in North Carolina, what follows will be chiefly founded upon

the broad ground that an investment has been made in North Carolina from which the people in that State derive the immediate benefit, and that the investors are entitled to look to the protection of the State in their attempt to get a fair return upon their investment; that is to say, upon the moneys actually expended, and for any return from which many of them are still waiting without satisfaction.

The history of the lines now constituting the Southern Railway system embraces facts and features abundantly proving that any arbitrary reduction of the revenue of those lines would be grossly unjust to the people who have invested their money in these properties in the State of North Carolina in affording its citizens modern transportation facilities.

A brief resume of some of the more recent history is, however, pertinent in order to refresh the memory of your Honorable Commission.

The Southern Railway Company was chartered by an act of Assembly of Virginia, approved February 18, 1894, and acquired its property chiefly at foreclosure sale, in pursuance of a plan of reorganization of the Richmond and West Point Terminal Railway and Warehouse Company, and its subsidiary companies, including the Richmond and Danville and East Tennessee, Virginia and Georgia. By this means, it is now the owner of all the lines the passenger tariffs on which this Commission is now considering, except the North Carolina Railroad, which it holds under lease, and the Atlanta and Charlotte Air-Line, which it operates under a contract made by the Richmond and Danville.

The Southern Railway Company operates 1,123 miles of railroad in North Carolina.

The object of the reorganization was to rehabilitate financially and physically properties which had decayed in the hands of insolvents, and to so cut down the fixed charges as to make probable the continued operation thereof without new bankruptcy. This was necessary, partially because the fixed charges formerly in effect were based upon high rates of interest which were current at an earlier date in the history of railroads in this country, and which could not be reduced *pari passu* with the gradual and unrelenting reduction of rates and revenue which all railroads have had to face, and which has been caused by general economic causes, as well as by the arbitrary action of the State, and partially by excessive railroad construction and competition, and a widespread depression in all classes of business.

Out of such conditions it was hoped that a consolidation of many weak lines in the hands of a single and efficient and economical management would result in saving a further loss of the investment already made.

To this end the bonded indebtedness of the several lines was reduced by nearly forty millions (\$40,000,000) of dollars.

A considerable portion of these bonds represented cash which had been borrowed and expended for improvements upon the several lines of the Richmond and Danville system within the State of North Carolina, including the North Carolina Railroad, owned largely by the people of the State. It is well known how much the North Carolina Railroad was improved in physical condition under the Richmond and Danville lease. The improvements remained for the benefit of the patrons; but the money expended was lost to the security holders, and these security holders are among the stockholders of the Southern Railway Company.

The capital stock of the Southern Railway Company consists of preferred and common stock.

The preferred stock was issued for the retirement of junior lien bonds, including those above referred to, on which the interest had not been earned and for cash assessments paid in by security holders to assist in the rehabilitation of the properties. It represents, therefore, substantially its par value in cash invested in these properties.

The common stock was issued to the holders of securities of the predecessor companies, and in consideration of the cash assessments paid by the holders of those securities, although a portion of it was sold for cash which was used only for necessary purposes of reorganization.

RESULTS OF OPERATION OF SOUTHERN RAILWAY SYSTEM AS A WHOLE.

The income account of the Southern Railway Company for the fiscal years ending June 30, 1896, and 1897, as compared with that of substantially the same properties in the year 1891, is as follows:

	1891	1896	1897
Gross earnings-----	\$21,372,391	\$19,082,247	\$19,079,500
Expenses and taxes-----	14,780,039	13,451,447	13,233,156
Net earnings-----	6,592,352	5,630,800	5,846,344
Other income-----	162,264	188,507	286,832
Gross income-----	6,754,616	5,819,307	6,133,176
Interest and rentals-----	* 6,298,000	5,218,370	5,612,234
Other deductions-----	* 600,000	44,459	75,022
Total deductions-----	6,898,000	5,262,829	5,687,256
Net profit (Def.)-----	143,384	556,478	445,920

*Approximate.

The year 1891 is selected for comparison as showing the high-water mark in railway traffic in Southern States, which high-water mark was immediately followed by the bankruptcy of a large portion of the railway systems of the South.

The net profit is the total amount available for dividends to stockholders after paying interest on mortgages and rentals and taxes. For the last two years this net profit, notwithstanding the large reductions in interest charges due to the reduction in bonded indebtedness above stated, has averaged less than one (1) per cent per annum upon the \$54,300,000 of preferred stock, which represents cash invested in the property.

To show more clearly the significance of these figures the following comparative statement of results from the same properties for the years 1891 and 1897 is added:

Miles operated, 1891	4,577.37
“ “ 1897 (average)	4,805.75

Gross earnings in 1897 were nearly \$2,300,000 less than in 1891, a decrease of 11 per cent.

GROSS EARNINGS—		
Gross earnings, 1891-----	\$21,372,391-----	
Gross earnings, 1897-----	19,079,500-----	
Decrease in 1897-----	2,292,891-----	
Gross earnings per mile operated, 1891-----		\$4,669
Gross earnings per mile operated, 1897-----		3,970
OPERATING EXPENSES—		
Operating expenses and taxes, 1891-----	14,780,039-----	
Operating expenses and taxes, 1897-----	13,233,156-----	
Decrease in 1897-----	1,546,883-----	
Per mile of road operated in 1891-----		3,229
Per mile of road operated in 1897-----		2,754
NET EARNINGS FROM OPERATIONS—		
Net earnings in 1891-----	6,592,352-----	
Net earnings in 1897-----	5,846,344-----	
Decrease in 1897-----	746,008-----	
Net earnings per mile of road, 1891-----		1,440
Net earnings per mile of road, 1897-----		1,216

Net earnings per mile of road, therefore, have fallen off 15.5 per cent.

TAXES.

Taxes in the meantime have increased \$144,900 per annum, or 29.5 per cent, although earnings have been so largely reduced.

	Amount.
Taxes, 1891-----	\$490,709
Taxes, 1897-----	635,592
Increase in 1897-----	144,883

Freight Traffic.	Amount.
Tons carried one mile in 1891	1,203,119,818
Tons carried one mile in 1897	1,324,015,178
Freight earnings, 1891	\$13,530,803
Freight earnings, 1897	12,386,901
Decrease, 1897	1,143,902
Decrease, 1897, per cent	8.45
Average rate per ton per mile, 1891	1.125 cents.
Average rate per ton per mile, 1897	0.936 cents.
Decrease, 1897	0.189 cents.

While the freight earnings *decreased* 8.45 per cent, the tonnage *increased* nearly 10 per cent.

Passenger Traffic.	Amount.
Passengers carried one mile, 1891	228,847,200
Passengers carried one mile, 1897	203,763,405
Earnings from passengers, 1891	\$6,062,849
Earnings from passengers, 1897	4,832,848
Decrease, 1897	1,230,001
Average rate per passenger per mile, 1891	2.649 cents.
Average rate per passenger per mile, 1897	2.372 cents.
Decrease, 1897	0.277 cents.

In passenger traffic the number of passengers carried has decreased, the revenue has diminished, and the rate per passenger has been reduced about ten (10) per cent.

An examination of the foregoing statistics will demonstrate that the same conditions of low rates and a smaller volume of traffic as compared with 1891, have prevailed during the year last past, as well as during 1896; and although the Southern Railway Company, by strictest economy and careful management, has been able to earn a small surplus over its fixed charges, yet this surplus is less than that of the preceding year, and admits of only a very small return to its preferred shareholders and none at all to its common stockholders.

Until the Southern Railway Company shall be earning a fair income, there can be no objection to the existing rates on the ground that the company is earning an unreasonable return upon its securities or its investments.

COMPARISONS OF RAILROAD TRAFFIC IN NORTH CAROLINA WITH THAT IN OTHER SECTIONS OF COUNTRY.

The following statement shows the freight and passenger earnings, the gross earnings, and the net income from operation, per mile of road operated by the

Southern Railway Company in the State of North Carolina, as compared with the same statistics for other lines of the Southern Railway System, and also as compared with the figures reported by the Interstate Commerce Commission for the year ended June 30, 1896, for all railroads in the so-called Groups IV and V—Group IV including the railroads in Virginia and Carolinas, and Group V including the railroads in the remaining section of the South east of the Mississippi and south of the Ohio and Potomac Rivers:

YEAR ENDING JUNE 30TH, 1896.

	All railroads in United States.	Group IV.	Group V	Southern Railway lines in North Carolina.	All other lines operated by Southern Railway.
Miles operated	172,368	10,755	18,638	1,062.7	3,511.1
Passenger earnings (including mail and express) per mile of road operated.	\$1,877	\$1,146	\$1,244	\$1,352	\$1,470
Freight earnings per mile of road operated.	4,479	2,949	3,025	2,284	2,742
Other earnings per mile of road operated.	163	81	102	34	112
Gross earnings per mile of road operated.	6,519	4,176	4,371	3,670	4,324
Operating expenses per mile of road operated (not including taxes).	4,380	2,858	3,010	2,405	2,937
Net earnings from operation per mile of road operated *	2,139	1,318	1,361	1,265	1,387

* Out of these net earnings there had to be paid taxes and fixed charges.

It is noticeable that both the gross earnings and the net earnings from operation of the Southern Railway lines in North Carolina were considerably less than the average per mile of line on the entire Southern Railway System, and also less than the average earnings per mile of line of all roads in Group IV and Group V. It also appears that in the year 1895-96 the gross earnings of the lines of the Southern Railway in North Carolina amounted to only \$3,670 per mile of road, as compared with an average reported by the Interstate Commerce Commission for all railroads in the United States of \$6,519 per mile of road; in other words, that the gross earnings per mile of the Southern's lines in North Carolina were but a little more than one-half as great as the average earnings for every mile of railroad in the United States.

Comparing the Southern's gross earnings in North Carolina with the earnings of other lines in the same section of the country, the Southern's gross earnings per mile of line in North Carolina were 15 per cent less than the average gross earnings per mile of line of the remainder of the Southern Railway System, and were 14 per cent less than the average gross earnings per mile of line of all railroads in the South (Groups IV and V).

Some of the conditions of traffic upon the lines operated by the Southern Railway Company in North Carolina may be summarized as follows:

- (1) The volume of traffic, in proportion to the length of road operated, is exceedingly small, as compared with that of roads in other sections of the South or of the United States generally.

- (2) In proportion to the volume of traffic handled, the average freight and passenger rates on the Southern's lines in North Carolina are lower than the rates on the other portions of its system; lower than the average rates on other railroads in the South, and vastly lower than the average rates for all railroads in the United States. This is shown by the fact.
- (3) That the gross freight and passenger receipts and the net earnings per mile of road operated, are much smaller on the Southern's lines in North Carolina than the averages upon roads elsewhere.

THE AVERAGE RATES OBTAINED BY THE SOUTHERN RAILWAY COMPANY UPON ITS TRAFFIC IN NORTH CAROLINA HAVE BEEN CONSTANTLY DECREASING.

A comparison of the reports of the Railroad Commission of North Carolina for the year 1891 with the reports for 1895 and 1896, covering the operations of the railroad lines now forming the Southern Railway System in that State, is of interest as indicating the very large reduction which has been made in rates generally throughout that State during the past five years. The statement is as follows:

	Year ended June 30, 1891.	Year ended June 30, 1896.	Year ended June 30, 1897.
Miles operated.....	1,001.47	1,062.70	1,123.25
Passenger receipts.....	\$1,136,777.11	\$1,138,121.84	\$1,104,357.35
Freight receipts.....	2,123,273.31	2,378,337.52	2,859,205.62
Passengers one mile.....	40,515,139	50,423,136	46,289,563
Tons one mile.....	152,304,148	195,666,458	297,941,775
Average receipts per passenger per mile....	.028c6	.02257	.02386
Average receipts per ton per mile.....	.01394	.01216	.00960
Passenger receipts per mile of road per annum.	\$1,135.00	\$1,071.00	\$983.00
Freight receipts per mile of road per annum.	2,120.00	2,238.00	2,545.00

The increase shown in the freight earnings of the lines in North Carolina is largely due to the opening of the Norfolk terminals, and the transfer to the line east of Greensboro of through traffic, such as was previously handled from West Point to Danville over the Virginia lines of the company. The increased earnings thus accruing to the North Carolina roads do not mean corresponding profits to the Southern Railway Company, nor do they result from any increased payments made by the people of North Carolina.

What was gained to the North Carolina lines was lost to the Virginia lines, as shown by the following statement:

	Amount.
Gross earnings of Greensboro-Goldsboro line in 1895-----	\$377,685
Gross earnings of Greensboro-Norfolk line (portion in North Carolina only) in 1897-----	1,082,445
Increase, 1897-----	704,760
Gross earnings of the West Point-Danville line in 1895-----	1,409,626
Gross earnings of the West Point Danville line in 1897-----	658,244
Decrease, 1897-----	751,382

The Norfolk line was open during only a portion of the year 1896. Hence the comparison is made between 1895 and 1897.

The revenues of the lines in North Carolina—and especially the Western North Carolina and the North Carolina Railroads—have also largely increased since the consolidation, by traffic to and from the old East Tennessee, Virginia and Georgia Railway, which traffic had previously been exchanged with the Norfolk and Western Railway at Bristol, and did not pass over the present lines of the Southern Railway in the State of North Carolina.

The average passenger rate in the year ending June 30, 1896, was exceptionally low on account of the volume of low-rate traffic going to the Atlanta Exposition during that year, so that the year 1897 will afford a fairer basis, for a comparison of rates, than the year 1896.

In 1891 the average rate per passenger per mile on the lines referred to was 2.806 cents; in 1897, 2.386 cents.

The reduction in the average passenger rates in the six years (1891 to 1897) was 15 per cent. If the passenger traffic in the year 1896-97 had been handled at the same average rates as those of 1891, the passenger earnings of the Southern Railway lines in that State would have been increased by the amount of \$194,000.

The average rate per ton per mile in the year 1890-91 was 1.394 cents on the lines now operated by the Southern Railway Company in the State of North Carolina. The average rate per ton per mile obtained by the Southern Railway Company in North Carolina in the year 1896-97 was 0.960 cents, a decrease in six years of 30 per cent in the average rate.

The results as to freight operations are included in the statement, because in many particulars it is impracticable to separate the expenses of conducting the passenger traffic from that of the freight, and a consideration of these two chief sources of revenues as a whole is necessary in determining not only the result to the owners of the properties but in a measure in determining the fairness of the rates charged to the public.

WHILE RATES HAVE DECREASED THE AMOUNT AND CHARACTER OF THE FACILITIES FURNISHED BY THE SOUTHERN RAILWAY HAVE BEEN INCREASED AND IMPROVED.

Although the earnings from passengers in North Carolina were less in 1897 than in 1896, and less than in 1891, the railway company has, nevertheless, given to the people of that State a constantly increasing and improved train

service, and additional facilities for making travel more rapid, more comfortable and, at the same time, safer. The local patrons of the road in North Carolina have received the benefit of these increased improvements and facilities without any increase in the price of transportation; whereas, the increased cost to the railway company has been very large, and the company can look only to the future development of the State for any return upon the money thus expended.

To illustrate this more clearly the following statement is submitted, showing miles run by passenger trains, earnings from passengers, and the average passenger earnings per passenger train mile, upon the Southern Railway's lines in the State of North Carolina for the years named:

Year.	Miles run by all passenger trains.	Passenger earnings.	Average passenger earnings per train mile.
1895-----	1,065,408	\$985,993.83	\$0.925
1896-----	1,156,107	1,138,121.84	.984
1897-----	1,426,468	1,104,357.35	.774

It thus appears that in the year ended June 30, 1896, the number of miles run by passenger trains increased 90,699 miles, or about 9 per cent over the year 1895. Owing to the exceptional amount of traffic on account of the Atlanta Exposition, the average passenger earnings per passenger train mile in 1896 increased somewhat, as compared with 1895.

In the year 1897 a further large increase was made in the train service, resulting in an increase of 361,060 train miles, as compared with the year 1895. The Southern's passenger train service in North Carolina was thus 34 per cent greater in 1897 than in 1895.

The average passenger earnings per train mile, however, which in 1895 were 92.5 cents, in 1897 were only 77.4 cents, a decrease of 15 cents per train mile.

Thus, while the people of North Carolina have received all the benefits of a largely increased train service, the railway company has received in passenger fares for each mile run by passenger trains in the State of North Carolina 16 per cent less earnings in 1897 than it received in 1895.

UNDER THE RATES NOW EXISTING THE LOCAL PASSENGER TRAINS OPERATED BY THE SOUTHERN RAILWAY COMPANY IN THE STATE OF NORTH CAROLINA DO NOT EARN, IN PASSENGER FARES, AN AMOUNT SUFFICIENT TO PAY THE BARE COST OF RUNNING SUCH TRAINS.

The following statement shows the passenger earnings of the lines operated by the Southern Railway in the State of North Carolina, the number of miles run by passenger trains in that State, and the passenger earnings per mile run, showing results for "through" and "local" trains separately, for the year ended December 31, 1896, the latest period for which such data have been compiled. The conditions in 1897, as respects local passenger traffic, were, however, no

more favorable than in 1896. On the contrary, by reason of the increased train service, above referred to, they were less favorable.

	Passenger earnings.	Passenger train mileage —miles.	Passenger earnings per train mile.
Through trains.....	\$636,563.81	514,470	\$1.24
Local trains.....	347,322.63	716,234	.48

It thus appears that the average passenger earnings of the Southern's local trains in North Carolina were only 48 cents per train mile in the year ended December 31, 1896. This includes all passenger train service, except the essentially "through" trains, whose earnings are principally or largely derived from interstate passengers.

The operating expenses of railroads in the United States, as reported by the Interstate Commerce Commission, average about ninety cents per train mile. Of this amount fully 70 per cent, or say from sixty to sixty-five cents per mile, were expenses of conducting transportation and maintenance of equipment. This expense of from sixty to sixty-five cents per train mile is exclusive of expenditures for maintenance of road-bed and structures, or for general expenses.

It can, therefore, readily be seen that the local passenger trains of the Southern Railway Company in North Carolina do not earn from the carriage of passengers sufficient to pay the cost of running them. They are therefore run by the railroad company as a part of its general scheme of operation to accommodate local interests and to facilitate trade, but at a loss to the company when considered separately. That is to say that the citizens of North Carolina get the benefits of the intrastate service and do not pay actual cost for it.

Under these circumstances an arbitrary reduction in the local passenger rates would be manifestly unjust.

II.

THE SOUTHERN RAILWAY COMPANY CAN NOT BEAR A REDUCTION IN THE PRESENT PASSENGER TARIFF.

If the present tariff was reduced to two cents per mile, or to two and one-half cents per mile, the losses, respectively, to the Southern Railway Company in passenger revenue per annum on the lines named would be as follows:

	Present earnings.	Loss at reduction to 2c.	Loss at reduction to 2½c.
LOCAL PASSENGERS—			
First class -----	\$162,381.16	\$66,040.42	\$42,219.10
Second class -----	243,571.74	73,777.88	48,714.35
	405,952.90	139,818.30	90,933.45
INTERSTATE PASSENGERS—			
Foreign -----	176,582.00	1,765.82	1,412.66
INTER-DIVISIONAL—			
First class -----	329,619.74	134,056.35	85,701.13
Second class -----	82,404.94	24,960.46	16,480.99
	588,606.68	160,782.63	103,594.78
Total -----	994,559.58	300,600.93	194,528.23

A statement of the estimated loss resulting to the Southern Railway Company on foreign and interdivisional passenger traffic by reason of such reduction of the present local passenger rates in North Carolina is included above, because through rates are in a large measure dependent upon the local rates, and a reduction of the latter must necessarily be followed by some reduction in the former, as is well understood by the Commission.

The loss, therefore, resulting even from a reduction to two and one-half (2½) cents per mile would, in the aggregate, be nearly one-half of the entire net profit of the entire system last year, after paying fixed charges, rentals and taxes.

III.

THE PRESENT PASSENGER TARIFF IN NORTH CAROLINA IS REASONABLE, BECAUSE IT IS NOT GREATER THAN THE TARIFF IN EFFECT ON RAILROADS IN OTHER PARTS OF THE COUNTRY WHERE PASSENGERS ARE TRANSPORTED UNDER SIMILAR CIRCUMSTANCES AND CONDITIONS.

When the population of a country served by a railroad is dense and engaged largely in mercantile and manufacturing pursuits, and the movement of passengers is consequently great, the railroads can afford to charge a lower average rate than they can afford in a country where the population is sparse and chiefly engaged in agriculture and the relative movement of passengers is consequently small.

These are the conditions which make rates and this is the explanation of the two-cent rates in some parts of the country, and the three, four and six-cent rates in other parts of the country.

The following table demonstrates this:

STATEMENT showing the population per square mile of various States (Census, 1890), and the average rate per mile charged for passenger service by prominent lines in each of the States of the United States:

State.	Square Miles.	Population.	Population per Square Mile.	Name of Road.	Rate Per Mile.
Alabama -----	51,540	1,513,017	30	Louisville and Nashville -----	\$0.03
				Memphis and Charleston -----	.03
				Central of Georgia -----	.03
Arizona -----	113,916	59,620	less than one.	Arizona and New Mexico -----	.06
				Atlantic and Pacific -----	.06
				Santa Fe, Pres. and P. -----	.06
Arkansas -----	53,045	1,128,179	21	St. Louis, Iron Mountain and Southern -----	.03
				St. Louis and Southwestern -----	.03
				L. R. and M. -----	.03
California -----	155,980	1,208,130	8	Atlantic and Pacific -----	.06
				Southern California -----	.06
				Southern Pacific -----	.03, .06
Colorado -----	103,645	412,198	4	A. T. and Santa Fe -----	.04
				Colorado Midland -----	.06
				D. and R. G. -----	.04, .05
Connecticut -----	4,845	746,258	156	Central Vermont -----	.03
				New England -----	.03
				New York, New Haven and Hartford -----	.02½, .03
Delaware -----	2,120	167,871	79	Baltimore and Ohio -----	.03
				Pennsylvania Railroad -----	.03
				Wilmington and Norfolk -----	.03
Florida -----	59,268	390,435	6	Plant System -----	.04
				Florida, Carolina and Pensacola -----	.04
				Florida, East Carolina -----	.04
Georgia -----	58,980	1,837,353	31	Wilmington and Augusta -----	.03
				Central of Georgia -----	.03
				Plant System -----	.03
Idaho -----	90,932	84,229	1	Great Northern -----	.05
				Northern Pacific -----	.05
				Union Pacific -----	.05
Illinois -----	56,000	3,826,351	68	Wabash Railroad -----	.03
				Vandalia Line -----	.03
				Illinois Central -----	.03

STATEMENT showing population per square mile of various States. etc.—Continued.

State.	Square Miles.	Population.	Population per Square Mile.	Name of Road.	Rate Per Mile.
Indiana -----	35,910	2,192,404	61	C. H. and D -----	\$0.03
				Charleston, Cincinnati, Chicago and St. Louis.	.03
				L. D. and W -----	.03
Indian Territory -----				G., C. and Santa Fe -----	.03
				M., K. and T -----	.05
				Choctaw, Oklahoma and Gulf -----	.03
Iowa -----	55,475	2,058,069	37	Iowa Central -----	.03
				C., R. I. and P -----	.03
				C. and N. W -----	.03
Kansas -----	81,700	1,334,685	16	M., K. and T -----	.03
				Missouri Pacific -----	.03
				Union Pacific -----	.03
Kentucky -----	40,000	1,858,635	47	Louisville and Nashville -----	.03, .04
				C., N. O. and T. P -----	.03
				C. and O -----	.03
Louisiana -----	45,420	1,118,587	25	Southern Pacific -----	.03, .05
				T. and P -----	.03
				New Orleans and N. E. -----	.03
Maine -----	29,895	661,086	22	Maine Central -----	.03, .03½
				Boston and Maine -----	.03, .03½
				Ban. and Aristook -----	.03½
Maryland -----	9,860	1,042,390	106	Baltimore and Ohio -----	.03
				Cumberland Valley -----	.03
				Western Maryland -----	.03
Massachusetts -----	8,040	2,495,345	309	Boston and Albany -----	.02¼
				Fitchburg -----	.02½
				New York, New Haven and H. -----	.02¾
Michigan -----	57,430	2,241,454	39	Dul., S. S. and Atlanta -----	.04
				Minneapolis, St. Paul and Ste. M. -----	.03½
				C. and N. W -----	.03
Minnesota -----	83,531	1,300,017	15	C. M. and St. Paul -----	.03
				Minnesota and St. Paul -----	.03
				Wisconsin Central -----	.03
Mississippi -----	46,340	1,289,600	28	Illinois Central -----	.03
				Mobile and Ohio -----	.03
				New Orleans and N. E. -----	.03

STATEMENT showing population per square mile of various States, etc.—Continued.

State.	Square Miles.	Population.	Population per Square Mile.	Name of Road.	Rate Per Mile.
Missouri-----	65,350	2,677,080	41	Missouri Pacific -----	\$0.03
				M., K. and T -----	.03
				Wabash -----	.03
Montana-----	143,776	131,769	1	Burlington and Missouri River-----	.05
				Montana Union-----	.05
				Northern Pacific -----	.05
Nebraska -----	76,840	1,058,910	14	Burlington and Missouri River-----	.03
				K. C. and N. W. -----	.03
				S. City and Pacific -----	.03
Nevada -----	112,090	44,327	less than one	Nevada Central-----	.10
				Southern Pacific-----	.05
				Virginia and Tennessee -----	.06
New Hampshire	9,305	376,530	40	Boston and Maine-----	.03
				Concord and Manchester-----	.03, .05
				Maine Central-----	.03, .07
New Jersey-----	7,455	1,672,942	224	Baltimore and Ohio -----	.03
				C. R. R. of New Jersey-----	.03
				P. and R -----	.03
New Mexico-----	121,201	144,862	1	Arizona, Texas and Santa Fe -----	.04
				Arizona and New Mexico -----	.06
				U. P. D. and G.-----	.06
New York-----	47,620	5,997,852	126	New York Central—Main Line-----	.02
				Adirondack Division-----	.03
				New York, New Haven and H -----	.02½, .03
				Pennsylvania Railroad-----	.03
North Carolina--	48,580	1,617,947	33	Atlantic Coast Line—1st Class-----	.03¾
				2d Class-----	.02¾
				Cape Fear and Yadkin Valley—1st Class-----	.03¾
				2d Class-----	.02¾
				Seaboard Air Line—1st Class-----	.03¾
				2d Class-----	.02¾
				Southern Railway—1st Class-----	.03¾
				2d Class-----	.02¾
North Dakota---	73,745	182,425	2	C. and N. W. -----	.04
				C. M. and St. Paul-----	.04
				Great Northern-----	.04

STATEMENT showing population per square mile of various States, etc.—Continued.

State.	Square Miles.	Population.	Population per Square Mile.	Name of Road.	Rate Per Mile.
Ohio -----	40,760	3,672,316	90	Baltimore and Ohio-----	\$0.03
				C. H. and D -----	.03
				Pennsylvania Railroad-----	.03
Oklahoma Territory. -----		61,701		A. T. and Santa Fe-----	.03
				C., R. I. and P-----	.03
				Choctaw, Oklahoma and Gulf-----	.03
Oregon-----	95,214	312,490	3	Northern Pacific-----	.04
				Southern Pacific-----	.04
				Union Pacific -----	.04
Pennsylvania ---	44,985	5,258,014	117	Baltimore and Ohio-----	.03
				Pennsylvania Railroad-----	.03
				Pennsylvania and Reading-----	.03
Rhode Island ---	1,085	384,758	354	New England-----	.02½
				New York, New Haven and H-----	.02½
				Mossasshuck Valley-----	.02½
South Carolina--	30,170	1,151,149	38	F., Charleston and Pensacola—1st Class.	.03¼
				2d Class-----	.02¾
				South Carolina and Georgia—1st Class--	.03¼
				2d Class-----	.02¾
				Atlantic Coast Line—1st Class-----	.03¾
				2d Class-----	.02¾
South Dakota---	73,745	327,848	14	B. C., R. and N-----	.04
				T. M. and M. V-----	.05
				Minneapolis and St. Louis-----	.04
Tennessee -----	41,570	1,767,518	42	Illinois Central-----	.03
				Louisville and Nashville-----	.03
				N. C. and St. Louis-----	.03
Texas -----	237,504	2,232,220	9	Houston and Texas Central-----	.03
				Southern Pacific-----	.03
				Texas and Pacific-----	.03
Utah -----	80,056	206,498	2	Utah Central-----	.06
				Union Pacific-----	.04
Vermont -----	10,212	332,205	32	Boston and Maine-----	.03
				Bennington and Reading-----	.03
				Central Vermont-----	.03
Virginia-----	40,125	1,655,980	41	Chesapeake and Ohio-----	.03
				Norfolk and Western-----	.03, .03½

STATEMENT showing population per square mile of various States, etc.—Continued.

State.	Square Miles.	Population.	Population per Square Mile.	Name of Road.	Rate Per Mile.
Virginia.....				Richmond, Fredericksb'g and Potomac	\$0.03
Washington ---	69,944	349,516	5	Great Northern .....	.05
				Northern Pacific .....	.05
				Oregon Railway and Navigation Co....	.04, .05
West Virginia---	23,000	760,448	34	Baltimore and Ohio.....	.03
				C. and G .....	.03
				Ohio River .....	.03
Wisconsin -----	54,450	1,686,880	31	C. and N. W.....	.03
				D. S. S. and Atlantic .....	.03
				Wisconsin Central .....	.03
Wyoming -----	93,107	60,589	less than one	Burlington and Missouri River.....	.05
				Trem. E. H. and M. V.....	.05
				Union Pacific, Denver and Gulf.....	.05

It is not contended that the rates shown above are all the passenger rates in force in the United States, or even in the various States named, but it is contended that they are the rates which are charged and paid on representative railroads in all parts of the United States, varying from the low rates of New York and Massachusetts to the five and ten-cent rates of Nevada and Colorado. The average of all these rates as given is 3.583, which is somewhat more than the first-class rate now in force in North Carolina.

This is a fair index that North Carolina now has, in respect to passenger fares, all that other States under like conditions enjoy and all that her railways, under those conditions, can afford to supply.

IV.

AS THE PASSENGER MOVEMENT IN NORTH CAROLINA INCREASES THE RATE WILL DECREASE.

The economic causes to which reference has been made, which are constantly causing a reduction in rates, can accomplish more for the benefit of the people of North Carolina than any arbitrary action of this Commission in reducing passenger tariffs.

If the rates are now violently and arbitrarily reduced, severe losses will result, and instead of having the present modern service, with frequent schedules and fast and comfortable trains over well-maintained tracks of heavy rails, the result must necessarily be a reduction of schedules and a curtailing of expenditures for improvements in the road-bed and rolling stock.

This, in turn, necessarily means the retarding, if not the cessation, of that material advancement and progress which has marked the history of North Carolina for the past few years. There has been throughout the United States

a constant reduction of rates, both passenger and freight, as population and the volume of traffic increased, and the people of North Carolina have participated proportionately in the benefits accruing therefrom. Where a fare of five cents per mile was demanded and paid in 1885, the same passenger may now travel the same distance for three and one-quarter cents, but in quicker time, and with far greater comfort and assurance of personal safety.

This is demonstrated by the following table, showing the gradual reduction in passenger rates:

MEMORANDUM SHOWING BASIS OF RATES IN EFFECT, AT DIFFERENT PERIODS, IN THE STATE OF NORTH CAROLINA.

From and To—	RATE PER MILE IN CENTS.		Date in Effect.	RATE PER MILE IN CENTS.		Date in Effect.	RATE PER MILE IN CENTS.		Date in Effect, Present Tariff.	RATE PER MILE IN CENTS.	
	1st Class.	2nd Class.		1st Class.	2nd Class.		1st Class.	2nd Class.		1st Class.	2nd Class.
Grover to Charlotte	4	3½	Nov., 1884	3¼	2¼	Nov., 1893	3¼	2¼	May, 1896	3¼	2¼
Charlotte to Danville	3¾	3¼	Mar., 1881	3¼	2¼	July, 1892	3¼	2¼	Jan., 1896	3¼	2¼
	3¾	3¼	July, 1887								
Tryon to Asheville	3½	3	July, 1889								
Asheville to Hot Springs.	4½	3½	Mar., 1887	3¼	2¼	Feb., 1892	3¼	2¼	June, 1896	3¼	2¼
Hot Springs to Paint Rock	5	4½	Jan., 1885	3¼	2¼	do	3¼	2¼	Nov., 1896	3¼	2¼
Murphy to Asheville	5	4½	do	5	4½	do	5	4½	do	3¼	2¼
Asheville to Salisbury	5	4½	do	3½	3	do	3½	3	do	3½	3
Taylorsville to Statesville	5	4½	do	3¼	2¼	do	3¼	2¼	do	3¼	2¼
Statesville to Charlotte			Oct., 1887	4	3½	Aug., 1891	3½	3	May, 1896	3½	3
Charlotte to Pineville			Aug., 1887	4	3½	do	3½	2¾	do	3½	2¾
Salisbury to Norwood			do	3½	3	do	3½	2¾	do	3½	2¾
High Point to Ashboro			Aug., 1891	3½	3	July, 1892	3½	3	Jan., 1896	3½	3
Greensboro to Winston-Salem			do	3¼	2¾	do	3¼	2¾	do	3¼	2¾
Winston Salem to Wilkesboro	5	4	July, 1887	4	3½	July, 1889	3½	3	Feb., 1892	3½	2¾
Winston Salem to Mocksville									do	3½	3
Greensboro to Goldsboro	3¾	3¼	July, 1887	3¾	3¼	July, 1889	3½	3	Nov., 1891	3½	3
Durham to Oxford						do	3½	3	Feb., 1892	3½	2¾
Oxford to Henderson						do	3½	3	do	3½	2¾
Oxford to Clarksville			Apr., 1888	4	3¼	do	3½	3	do	3½	3

Moreover, while the tariff rate in North Carolina for first-class is three and one-fourth cents, the actual average receipts of the Southern Railway Company per passenger per mile, not including railroad employees and others travelling free, is only 2.386 cents, and this reduced average rate is due to concessions made to the public in the form of mileage books and special excursion fares, minister's rates and other rates below tariff, authorized by the law of North Carolina. These are concessions which the people require and which the railway companies allow for the purpose of encouraging trade and travel. These concessions, except so far as they are charities, are based chiefly upon the familiar principle of wholesale business. If as many people as go on an excursion would travel all the time, excursion rates could be made general and permanent.

The question may be asked: How has the Southern Railway Company been able to meet such enormous losses in gross revenue, due to this constant reduction of rates? It has thus far been able to meet its fixed obligations in the face of such heavy reductions in rates, because:

First. In the reorganization of the properties the bonded debt of the system was reduced by about one-fourth, preferred stock being generally issued in lieu of junior lien bonds. A large amount of cash also (more than \$8,000,000) was contributed, in the reorganization, by the holders of stocks of the old companies, such holders receiving stock of the Southern Railway Company in payment for said cash contributions and in exchange for their old stock. The reorganization, therefore, effected a very material reduction in the fixed charges of the system, and this represents an enormous loss to the security holders.

Second. By means of the funds derived in the reorganization, the Southern Railway Company has thus far been able to make steady and great improvements in the physical condition of the properties in respect to road-bed, buildings and equipment, so that marked economies in operation have thus been made possible.

It should be understood, however, that in the year ending June 30, 1896, the entire Southern Railway System (4,574 miles of road) was able to earn above its fixed charges only \$556,000, and in 1897 only \$445,000, an amount less than one per cent per annum on Southern Railway preferred stock. In three and one-half years of operation the company has paid only 2 per cent on its preferred stock, or only about six-tenths of one per cent per year, and nothing on its common stock. As the preferred stock represents actual cash expended at one time or another upon the properties, it is clear that the stockholders are as yet receiving only a small proportion of the return upon their investment, which they are justified in expecting.

V.

WHAT THE PEOPLE OF NORTH CAROLINA HAVE GAINED FROM PHYSICAL IMPROVEMENTS UPON SOUTHERN RAILWAY LINES IN THAT STATE.

Since the Southern Railway Company commenced its operations on July 1, 1894, the physical condition of its properties has been greatly improved.

There have been expended upon the lines of the Southern Railway System in North Carolina during the past three years more than \$650,000 in excess of what it would have been necessary to expend in order to maintain the property in the

same or equally as good condition as when it was received. This represents chiefly the cost of new and modern shops at Salisbury, the placing of new and heavier steel rail in the main lines, and new sidetracks and improvements along the line, made necessary in order that the increased traffic over the line to Norfolk might be properly handled. And it should not be overlooked that a large part of this sum has been expended upon the North Carolina Railroad, of which the State—that is, the people—owns three-fourths.

New additional equipment, purchased by the Southern Railway Company since July 1, 1894, has cost more than one million five hundred thousand dollars.

This purchase has ensured to the advantage of the communities served by the Southern Railway lines in North Carolina, on account of improved transportation facilities which the railway company has thus been enabled to afford.

CONCLUSION.

From the foregoing statements it will appear to your Honorable Commission:

That the rates of local passenger fare on the Southern Railway in the State of North Carolina are below the average in the United States, are fully as low, or lower, than in the neighboring States, and as low as they are in any other State of equal density of population.

That the facilities afforded to the citizens of North Carolina, in respect to means of transit within the State, are fully equal to, and in many instances far superior to those enjoyed by other States of equal relative population.

That these facilities have been largely improved in amount and are much superior in quality as compared with those enjoyed in years previous, and that they are provided for the people of North Carolina without due remuneration to the carrier, and, so far as the purely local facilities are concerned, are furnished at less than the actual cash cost to the railway company, and that the only means by which the Southern Railway Company is able to thus furnish them and look solely to the future for its possible return is the fact that consolidation into one large system has produced for the benefit of the company as well as the citizens of North Carolina, a large volume of through interstate traffic sufficient to enable it to sustain temporarily the losses in connection with the local traffic.

That the security holders of the Southern Railway Company are not now receiving, and at no time have received, a fair and reasonable return upon the cash investments made in the properties.

That the lease for a long term of the North Carolina Railroad and the consolidation into the Southern System of the East Tennessee, Virginia and Georgia and other lines have been the means of sending through the State large volumes of traffic which theretofore passed over lines largely outside of the State.

That this increased volume of traffic through the State has rendered necessary large cash expenditures upon the lines of the Southern Railway Company in the State, including largely increased shop facilities, with a large permanent increase of population in connection therewith, large additional expenditures upon roadway, stations and bridges, and a large increase in the permanent train forces constantly employed in the movement of the traffic.

That under these improved conditions there has been a material reduction in the rates for passenger fares within the State, since 1885, and that these rates are now as low as they can reasonably be made.

That the loss to the Southern Railway Company, should further reduction be made, would be so serious as not only to interfere with future enlargement and improvement of the facilities now afforded, but to require their immediate curtailment and possibly permanent impairment to the great detriment of the material welfare and development of the State.

That in view of the present earning capacity of the Southern Railway Company's line in North Carolina, any reduction in passenger fares amounts practically to a confiscation of property represented by actual cash investments, for the reason that such reductions will preclude the possibility of a fair return upon these investments.

The Southern Railway Company is willing and hereby offers to support this statement by proof of the averments thereof in such form and at such time as may be desired by your Honorable Commission.

Dated this 26th day of January, 1898.

SOUTHERN RAILWAY COMPANY,

By SAMUEL SPENCER,

President.

W. A. HENDERSON,

FAIRFAX HARRISON,

Of Counsel.

EXAMINATION OF WITNESSES.

SOUTHERN RAILWAY COMPANY.

June 8th, 1897.

Mr. ——— Hill, being duly sworn, says :

Col. Henderson :

Q. What is your connection with the Southern Railway Company?

A. I am the Secretary of the Company.

Q. Are you familiar with this answer that is filed?

A. Yes, sir. This answer has been prepared under my direction.

Q. Are the facts therein stated true?

(Objection by Col. Hinsdale, as too general).

Col. Henderson : I merely wish him to state whether those facts are true.

Q. Are those facts prepared by you true?

A. They are, sir.

(Objection).

Cross-examination, by Col. Hinsdale.

Q. Do you also swear that the statement of Mr. Spencer is true?

A. I believe it to be true.

Q. Do you know it to be?

A. I know it so far as anybody can know.

Q. Do you know that it is true?

A. I know that the figures were compiled from reliable sources.

Q. Compiled from what sources?

A. Prepared from the reports of the Railway Company, and from reports of the Interstate Commerce Commission.

Q. Do you know that they are correct?

A. I believe them to be correct.

Q. Do you know them to be correct?

A. Yes.

Q. How do you know it?

A. I am familiar with the method in which the books are kept and the method of distribution and division of accounts.

Q. And because you are familiar with the manner in which they are kept, you are willing to swear that you know of your own knowledge that they are correct?

A. I do not think anybody could swear in that way except the clerk who figured out the percentages and put down the figures.

Q. Then you can not swear that they are correct?

A. I did not write the figures in the book.

P. Can you swear that the data from which this affidavit of Mr. Spencer's was prepared, was correct, of your own knowledge?

A. I think my answer covers that.

Q. Will you say yes or no?

A. I can not say I made the original calculations.

Q. Can you say of your own knowledge that the data from which this affidavit of Mr. Spencer's was prepared was correct?

A. I can say so upon knowledge, information and belief.

Q. You must say so from knowledge or else not at all. Can you say so from individual, personal knowledge?

A. Not from such knowledge as would be required by having worked all the figures upon the original books from which this affidavit was prepared.

Q. Upon what can you swear at all as to the truth of these data?

A. Upon the knowledge that the accounts are handled by certain rules and are carefully handled by competent men.

Q. And that is the sole basis of your testimony?

A. Sole basis of my being able to swear to the accuracy.

Q. Do you know what the assessed value of the property of the North Carolina Road is in North Carolina?

A. I understand it to be about \$3,117,000.

Q. Do you know whether that is the real value of the property or only 50 or 75 per cent of the real value?

A. I know as a matter of experience that it would not be as much as the real value of the property.

Q. Are you an expert in the construction of railroads?

A. I am an expert so far as the knowledge of the actual cost of a railroad.

Q. What part have you ever taken in building railroads?

A. Familiarity with the charges and with the vouchers is sufficient to give one an understanding of what the cost of a railroad is.

Q. What part have you ever taken in building a road?

A. I have never built a railroad. I have examined the construction accounts of a number of railroads.

Q. Where?

A. I have examined the accounts of the Southern Railway Company.

Q. The construction accounts of which railroad did you examine?

A. Construction accounts.

Q. The construction accounts of which railroads have you examined?

A. The construction accounts of the whole system.

Q. It took you a good while to do it? How many are there in the whole system?

A. I do not think I can give that.

Q. Quite a number? In how many States?

A. In the States of Virginia, North Carolina, South Carolina, Georgia, Alabama, Tennessee and Kentucky.

Q. When did you examine the construction accounts?

A. From time to time.

Q. When?

A. I do not think I can give that.

Q. How many years did it take you to complete this examination?

A. I do not claim to have made an examination of each one of the accounts. I said that I was familiar with the construction accounts.

Q. How did you become to be familiar with these accounts of the Southern Railway System unless you examined them?

A. Because I am familiar with the reorganization plan and the accounts as they were taken up by that plan. My knowledge has been derived from a knowledge of those accounts.

Q. The reorganization plan has nothing to do with building a railroad?

A. It involved the original account of the construction.

Q. As Secretary, what did you have to do with the construction accounts, anyhow?

A. I have special work for the President of the company in connection with all the accounts.

Q. What did that have to do with the construction accounts of the several railroads that form the Southern of that system; railroads that were built before the system was born?

A. I was testifying with regard to my knowledge of the cost of constructing railroads as ascertained by a knowledge of railroad accounts; not my understanding of the cost of every spoke that went into the original construction of the Richmond and Danville. I was not pretending to do that.

Q. I suppose that you are familiar with them all just as much as you are with the North Carolina Road?

A. I have the same familiarity that I have testified to.

Q. Did you make yourself familiar with the construction accounts of all the railroads leased by the Southern?

A. I have never examined the original construction accounts of the North Carolina Road.

Q. Did you ever examine the original construction accounts of any of them?

A. No, sir.

Q. When was the North Carolina Railroad built?

A. I can not tell you exactly.

Q. Before the year 1850?

A. I am not positive about that.

Q. How old were you in 1850?

A. That was a little before my time.

Q. You say it would cost more at that time to build a railroad than now?

A. I did.

Q. How much more?

A. I should make an estimate, with my knowledge of the subject, that it would cost from one-fourth to one-third more, with the exception of the cost of the right of way.

Q. What knowledge have you of the manner in which real estate in North Carolina is assessed for taxation? Any?

A. My knowledge from that respect is from hearsay.

Q. Can you testify as a matter of knowledge that the North Carolina Road is not assessed up to its real value?

A. Yes, sir.

Q. You can? How did you acquire that knowledge?

A. From the actual value of the road as it stands now and the value of its stock.

Q. What you mean to testify to is that the \$3,117,000, the assessed value, is not the value of its stock, is that about it?

A. No, that is not it. It is not the value of what I believe to be the cost either of reproduction of the property or its present value, on a basis either of the original cost of construction or a basis of securities issued upon it.

Q. Do you know how much Mr. Spencer estimated the real value of that property to be?

A. I do not think he has estimated it.

Q. How much of the \$418,625.18, net earnings from all sources, were net earnings from intrastate traffic?

A. On the basis of the fair computation made in that statement, about \$89,000.

Q. How did you get that sum? How do you know it is correct?

A. The gross earnings were figured out from actual intrastate earnings, each ticket and each way-bill; from the original reports and way-bills and included only the business that both originated and terminated in North Carolina. The actual expenses of the whole line were something over \$11,000,000. Those expenses were, I believe, about 72 per cent of the gross earnings from all sources. The expenses pertaining to intrastate traffic were figured, and were found to be about $8\frac{3}{4}$ per cent greater than the general expense ratio, and it was on the basis of that expense ratio that the intrastate was calculated.

Q. Did you make these calculations?

A. Yes, sir. I verified them myself.

Q. You say of the \$418,625.18 that only \$89,473 is derived from intrastate traffic. How do you get at the \$89,473 being the intrastate traffic?

A. As I said before, the actual earnings were figured from the original reports, passenger and freight, and found to be \$510,000. The expenses pertaining to that traffic were figured to be \$412,000, leaving a surplus of earnings without including taxes. The taxes were then computed and charged on a basis of the percentage which the intrastate earnings of the North Carolina Road bore to the total earnings of the North Carolina Road, which was about 32 per cent. The intrastate proportion of taxes were about \$8,000, which deducted from the \$97,000, leave the figures to which you refer, \$89,473.

Q. In arriving at the net intrastate earnings, is it not necessary for you to apportion the several expenses of operation between intrastate and interstate traffic?

A. Yes, sir.

Q. According to what rule would you apportion the expense of running a freight

train from Greensboro to Goldsboro, each carrying intrastate and interstate freight?

A. I could not attempt to arrive at such a computation.

Q. Then is it not guess work?

A. No, sir.

Q. Is it not done by simply estimating?

A. It might be called an estimate, but the expense ratio arrived at was less in the case of the intrastate traffic than 10 per cent.

Q. Less than 10 per cent difference?

A. Yes, sir.

Q. What per cent was it?

A. When it was arrived at, it amounted to something like $8\frac{3}{4}$ per cent.

Q. How will you apply that a $8\frac{3}{4}$ per cent to apportion the expenses of running a freight train from Greensboro to Goldsboro in which was carried both intrastate and interstate? How can you get at any correct aggregate result without first studying the details? Is not that impossible?

A. The aggregate result arrived at was considered, you may call it estimated if you desire, as being the real expense ratio, for the reason that the expense ratio was less than the lowest estimate made in the Nebraska case and referred to in the complaint.

Q. By what rule would you apportion the expense of running a freight train from Greensboro to Goldsboro upon which was carried both intrastate and interstate freight? Suppose it cost \$500 to run that train from Greensboro to Goldsboro, how would you apportion that between interstate and intrastate?

A. In the division of expenses of a railroad company that is not the way in which the expenses are arrived at. They are not kept by trains.

Q. Well, I take an item. Take the wages of the engineer who runs that train from Greensboro to Goldsboro. Suppose his wages were ten or twenty dollars. By what rule would you apportion that twenty dollars between the two sides of the account?

A. It would depend a great deal on each volume of traffic as carried in the train.

Q. Is there an account reported to the office in Washington as to how much intrastate and interstate freight is sent upon any one train?

A. It is not possible to arrive at that correctly. As to how much of that service was on account of intrastate and interstate, there would be a greater proportion chargeable to the local freight than to the through traffic.

Q. How much greater?

A. I would not attempt to estimate that.

Q. How about the train hands, the engineer, fireman, etc.? How are you going to make the apportionment of these expenses?

A. The proportion would undoubtedly be greater in proportion to intrastate business than for the other business, but you could not arrive at a division that would be absolutely correct.

Q. How do you arrive at it?

A. There is no attempt to arrive at it.

Q. Can you do it?

A. I could not, but I suppose the ——— can.

Q. It would be guess work, wouldn't it?

A. Well, there is very little in this world that is absolutely true down to a cent.

Q. As to the expense of a passenger train. Take a train that runs from Greens-

boro to Charlotte upon which local passengers may ride. How much of the expense for running that train are you going to charge up to the local account?

A. The expenses are not kept in that way.

Q. If the expenses are not kept in that way, how can you arrive at the aggregate amount of operating expenses that is to be charged up to intrastate passenger traffic?

A. It would be an approximation if you tried to separate passenger and other business.

Q. Then if it is a mere approximation, how can you swear that it is correct?

A. It is correct, as stated.

Q. Will you please look on page 21 of the answer herein, "operating expenses, maintenance of way." By what rule did you apportion the expense of maintenance of way between the intrastate and the interstate?

A. Apportion of the general average expense ratio plus 10 per cent.

Q. How do you know about the 10 per cent of your own knowledge?

A. I know it from a study of such matters and my acquaintance with the expense ratios of various roads in the country. Of the North Carolina Road particularly, and also from what I have learned from operating officers. Of course that is individual knowledge.

Q. And those officers were of what system?

A. Of the several systems with which I have been connected.

Q. Name them?

A. Southern Railway System, Union and Pacific.

Q. When were you connected with the Union Pacific?

A. From 1886 to 1895.

Q. How long have you been with the Southern?

A. Since 1895.

Q. And what other systems, please?

A. Those are the only two systems.

Q. There is an item on the same page—"maintenance of equipment" \$72,938.30, is that correct?

A. That is arrived at on the same basis as the item of maintenance of way.

Q. I ask you if it is correct?

A. I believe it to be.

Q. Do you know it is correct?

A. I believe it to be an understatement of the amount.

Q. That is simply a matter of opinion?

A. A matter of opinion based upon knowledge.

Q. Take the item—"conducting transportations"—is that correct?

A. That is arrived at on practically a similar basis as the other two items. The expense of foreign agencies, outside the State, and also the expense of commission were deducted in making that computation, such expenses not applying to the intrastate traffic.

Q. How about the item of general expenses, is that correct?

A. That is computed upon the same basis as the other items.

Q. Upon what theory is that you make this calculation, as you have done on page 21 of charging the entire amount of taxes and the total rental of the intrastate business?

A. I believe that that statement was considered as an object-lesson.

Q. What is not calculated to deceive, as an object-lesson?

A. Not at all.

Q. Upon what principle can you charge to the intrastate traffic of the North Carolina Road the entire taxes and the entire rental of the road, when the intrastate business does not amount to more than 40 per cent of the whole?

A. The statement shown at the top of the following page is a full explanation of the working out of the account on the basis of the intrastate proportion.

Q. Was this not calculated to mislead?

A. It was not.

Q. Why was it done?

A. To show what a comparatively small proportion of the total taxes and upon the surplus earned, the intrastate traffic amounted to.

Q. Do you know that it was wrong to deduct from the profits of the local business the entire amount of taxes and the entire rental of \$266,000?

A. I do not think it wrong, with the statement following on the next page.

Q. Do you not think it an improper statement?

A. I think I have fully explained that the statement was put there to contrast the total amount of taxes with the intrastate earnings.

Q. Did the man who made this statement say it was incorrect?

A. No; he left something to the imagination. If there had been any intention to deceive in regard to the matter, the second statement would not have immediately followed the first.

Q. Do you know anything about the quarterly report which your company has filed? Was it made up under your supervision?

A. I am familiar with the methods upon which it was made up.

Q. Maintenance of equipment is stated at \$199,973.15. How much of that should be charged to intrastate.

A. The entire expense ratio is 72 per cent. The figures given by you are a certain percentage of that. To that percentage was added—

(Witness interrupted by Col. Hinsdale asking question).

I can not compute that without having the original figures. As I told you, there is a deduction taken out for foreign agencies and the commissions, which have nothing to do with the intrastate business.

Q. In what way will you go about ascertaining the proportion of the \$199,973.15 (which is the amount of maintenance of way from report of the North Carolina Road for 1897), which is to be charged against the profits from intrastate traffic, according to the rule?

A. Having arrived at the total expenses, plus 10 per cent chargeable to interstate traffic, I would take the same percentage that the total expenses bear to the total expenditures of the line for operating expenses.

Q. Then you can not make the calculations from the figures given?

A. Nobody could, because it involves deducting these special amounts which were taken out as not chargeable to intrastate traffic.

Q. You say it was a little less than 10 per cent?

A. I said it was 10 per cent.

Q. Take it as 10 per cent and make the calculation.

Q. After five minutes trying to make the calculation, you knew the figures that I gave you were not sufficient data, why did you attempt to make this calculation?

A. Because it did not occur to me that I needed those figures.

Q. Then you had forgotten the manner of making the calculation?

A. No.

Q. Do you mean to say then that it took you five minutes to find that you had forgotten the rule?

A. I had the rule, but the special deductions were lacking.

Q. Did it take you five minutes to find that you did not have the necessary figures?

A. It may have been five minutes.

Q. If there were no deductions to make, and if the proportion of expenses of local traffic were the same as the through traffic, what would be the amount to be charged to local traffic from that item—\$199,973.15?

A. It would possibly be about \$64,000, on the basis of the general average expense ratio.

Q. How do you get it?

A. The \$199,973.15 is 17 per cent and a fraction, as I take it, of the total expenses, which are \$..... On the basis of the intrastate percentage being the same as the percentage of the whole earnings, I should simply take the percentage of the \$199,973.15, which the gross intrastate earnings bears to the gross earnings from all sources, that percentage being 32, would figure out, as I make it here, about \$64,000; that is without adding the 10 per cent.

Q. How do you get at the 32 per cent? verify that calculation.

A. Twenty-five per cent is arrived at by dividing the intrastate gross earnings, which amount to \$510,666 by the gross earnings of the North Carolina Road from all sources, which, as shown in the report, amounted to \$1,592,170.

Q. Why is not the \$489,000 the correct amount?

A. Because three months are not one-fourth of a fiscal year; never were and never will be. The earnings of some months are very much in excess of other months. you could not take any quarterly report as an average; not one-fourth of the year's business.

Q. That will be about \$5,000 out of line?

A. Yes, sir.

Q. If there were no percentage to be added, the proportion of maintenance and equipment to be charged to intrastate business would be about how much?

A. About \$64,000.

Q. And \$72,933 is the amount which is really charged?

A. That is the amount shown in the statement.

Q. Make the calculation on conducting of transportation,—\$689,972.57; how much of that amount, if there were no difference of 10 per cent to be added, would be chargeable to intrastate traffic?

A. It would be the same percentage—32 per cent.

Q. How much would that be?

A. It would be about \$221,000.

Q. How much do you find is charged in the statement of page 21?

A. Two hundred and forty-five thousand, two hundred and ninety-four dollars and twenty-nine cents.

Q. What is the total of general expenses for 1897?

A. The report to the Commissioners for that year reads \$31,907.14.

I do not know that this printing is correct. I am merely working from the printed report.

Q. How much of that should be charged to intrastate?

A. That will figure out about \$19,828.

Q. How much is charged on page 21 of the answer?

A. Twenty-two thousand dollars.

Q. What is the amount of expenses that go to make up that aggregate of general expenses?

A. Twenty-four thousand, four hundred and forty dollars and ninety-six cents.

Q. What will be the amount that should be charged to intrastate commerce?

A. I make it \$7,828.

Q. How much was charged in the report for 1897 for law expenses to intrastate?

A. As shown by this report which is handed to me there was \$5,900.98 charged to law expenses of the North Carolina Road in the quarter ending March 31, 1897.

Q. Do you know the average population of the territory traversed by the North Carolina Road?

A. No, sir.

Q. Do you know the average population per mile in North Carolina?

A. I have never worked it out. I understand that it is 33.

Q. Where did you get that information?

A. That information was partly from the census.

Q. Do you not know that the population along the line of the North Carolina Railroad is four or five times 33?

A. I have no information on that. I suppose that it may be.

Q. If in the counties of Wayne, Johnston, Wake, Durham, Orange, Alamance, Guilford, Davidson, Rowan, Cabarrus, Mecklenburg, the average per square mile is about 100, do you think that it is fair to estimate upon the percentage for the whole State at 33; and would it not have been fairer to have taken the population of the counties through which the road runs?

A. The intrastate traffic is drawn from the less populous sections of the State as well as the sections through which the roads run. I should not think the calculation would be a correct one based on the population of those counties.

Q. Is travel not much more likely to be increased when the rates are lowered, if the populations is dense than sparse?

A. If it is dense in the sense of the large cities being close to each other, it would have a tendency to increase travel perhaps.

Q. Then you think it would not make any difference how thickly populated the country was unless the large cities were close together?

A. I think that is the chief element that enters into a stimulation which might be produced by reducing rates. I should say that where a fare was fifty cents or a dollar, that a reduction of ten cents in fare would not have any great effect in stimulating additional travel, and that applies to the question of distance between large cities; people living twenty-five miles away from a large town would have to pay seventy-five cents to go there, and a reduction would not cause them to travel on the other rate unless they had something to go for.

Q. Is not the main inducement to increase of travel by reducing rates in a thickly populated country, that the stations are close together?

A. I think that a reduction in rates in suburban regions would cause people to move into the suburbs that had been in the cities, and thus might increase the travel.

Q. You think that is the only way there would be any increase of travel by reducing the rates?

A. I think so in a sparsely settled country. I think that has been the experience in the case of previous reductions—that it has not increased local business.

Q. Do you not know that everywhere there has been a reduction of rates, there has been a corresponding increase of business?

A. No, sir, I do not.

Q. Do you not know that that has been the uniform result in the countries of Europe?

A. I have not studied the question as applied to Europe.

Q. What books have you studied on the subject? Have you ever read "Todd's Railroads of Europe and America?"

A. I do not know that I have ever read any books.

Q. What have you studied?

A. I have had a good deal of conversation with practical men who have made it a study, and in that way have made it a study, and also used a little common sense on it.

Q. Have you ever known a reduction of rates to be followed by an increase of travel?

A. I do not think that is a matter which could be directly traced to that cause. I do not pretend to be testifying as an expert on the effect of reducing rates on the increase or decrease of travel.

Q. You are swearing to this?

A. I am just giving my opinion.

Q. You have no knowledge?

A. I have knowledge as a matter of general information on the subject.

Q. Have you ever known a reduction of rates to be followed by increase of travel?

A. No.

Q. Have you made a calculation as to how much loss would be involved in the reduction of the rates proposed? How much loss to the North Carolina Railroad Company?

A. Approximately so. There would have been a loss in 1897 to the Southern Railway of about \$74,000.

Q. How do you get at that? verify your calculation.

A. The calculation is verified in the answer.

Q. Just an estimate?

A. No, sir.

Q. What is it?

A. It is a very close approximation.

Q. Do you not call that an estimate?

A. No, sir; a very close approximation is so close as to be very true. The reduction in the first-class rates will be 23 per cent; reduction in the second-class rates would be 27 per cent; the exact reduction, therefore, in the earnings would lie somewhere between 23-27 per cent; and as stated, it is, roughly speaking, 25 per cent on the actual intrastate earnings. Therefore, \$74,000 is a very close approximation.

Q. I think you said the passenger tickets were apportioned? How was this done?

A. I should have to refer to the person who had charge of that.

Q. Do you know how?

A. I know that it was arrived at on the basis of actual traffic. I mean that if a man rode between Charlotte and Greensboro the amount of his fare was included in the intrastate earnings; if he rode between Asheville and Greensboro and so on.

Q. How is that reported to the head office?

A. As to the form of the blanks, and that part I should have to refer you to the person who actually puts down the figures.

Q. Then you can not testify as to the correctness of the appraisement?

A. I answered that question in the first instance with regard to the whole of my testimony; that I did not receive the ticket reports and therefore can not answer of my own knowledge.

Q. Do you call a man who uses one of these mileage tickets and travels from Raleigh to Washington an intrastate passenger or an interstate passenger?

A. I do not know how the mileage ticket question is handled. The man who handles that can tell you.

Q. Were no mileage tickets issued on your road?

A. I suppose so.

Q. By what rule were those mileage tickets apportioned? How could you tell intrastate from interstate?

A. The conductor reports them.

Q. As a matter of fact, are those mileage tickets counted? Do you know?

A. I have never superintended the machinery of counting those mileage tickets.

June 9th, 1898.

Cross-examination of Mr. Hill continued:

Q. I wish you would state what figure it is, or what datum is lacking, on account of which you are not able to make the calculation as to how much of the maintenance of equipment item, as reported in 1897, ought to be charged to intrastate traffic?

A. I said that in making the detailed calculation the figures as shown in the report were not in the form in which I had them in making the compilation, and therefore when you asked me to do this, I did not do it. The Railroad Commissioners' Report, page 256, you will see that in the item of maintenance of way the total shown is \$179,424.86. Now the figures which were used in the original computation included in maintenance of way an item of betterments, which is not shown in this report. In other words, the statement you gave to me was not a statement I could take up without study and figure out the same results which I figured out from the original statement.

Q. The \$179,424.86 did not include all?

A. Did not include that.

Q. Could you, then, take the item of conducting transportation, aggregating \$689,972.57?

A. I could not yesterday, and I explained why.

Q. What is it that is lacking?

A. The figure that is lacking is the deduction which we made from the total intrastate conducting transportation expenses, on account of certain large expenses for foreign agencies and commissions, which do not apply to the intrastate traffic. I did not have the figures which were deducted, therefore I could not make the computation and bring out the result as in the answer.

Q. How is it with general expenses, \$61,907.14, the total of general expenses?

A. That item could have been worked out.

Q. Will you work it for me?

A. Yes, sir.

Q. How much of it ought to be charged to "intrastate?"

A. In order to make the matter clear I shall have to start at the beginning and explain how the computation of the whole was arrived at.

Q. I ask you to take the item \$61,907.14 and make the calculation as to how much of that is interstate?

A. That depends on the percentage, which is based on something further back. The calculation is 36.47 per cent of the \$61,907.14.

Q. Why do you multiply by 36.47?

A. The gross earnings from all sources on the North Carolina Road as shown in the report for 1897 were \$1,592,218. The expenses of operation, exclusive of taxes, were \$1,148,772.59, therefore the ratio was 72.15, that is to say it took 72.15 cents operating expenses to pay for one dollar of gross earnings. To this general expense ratio, taking the estimate used in the Nebraska decision, which was regarded as an extremely low estimate of the additional cost of handling local traffic, as above the general expense ratio for all traffic, the Nebraska decision added 10 per cent to such general average expense ratio. In that case adding 10 per cent to 72.15 with the basis applying to intrastate traffic is 82.15 per cent. Now the intrastate gross earnings arrived at upon a careful and accurate basis were \$510,066.19 of the North Carolina Road for the year ending June 30, 1897. If that business had been operated at the expense ratio just arrived at, that is multiplying \$510,066.19 by the ratio 82.15, that would make the total intrastate expenses \$419,019.37. Having thus arrived at \$419,019.37 as total intrastate expenses, exclusive of taxes, we next ascertain what per cent that \$419,019.37, intrastate expenses, is to the total expenses of the North Carolina Road, namely, \$1,148,772. The percentage thus arrived at is 36.47. That 36.47, as you will see, would distribute those expenses equally over all, and that was done in the case of the general expenses, in the case of maintenance of way, and maintenance of equipment. In the case of conducting of transportation, there being an item contained therein of foreign agencies and commissions, none of these applying to intrastate traffic, reduction was made from the total conducting transportation expenses by which such expenses as arrived at on the general average percentage of 36.47 were reduced in about the sum of \$6,000.

Q. I understand, then, that you can make the calculation on maintenance of equipment?

A. Yes.

Q. You do it in the way just indicated?

A. Yes.

Q. You made an effort yesterday to do that and failed?

A. Oh, no, sir.

Q. On this very item did you not try and fail, stating that there was some data you were not in possession of?

A. That is the point. I could not make that until I could arrive at the total of expenses. I could not arrive at that proportion until I could arrive at the total.

Q. Do I understand now that you did make the effort yesterday?

A. I made an effort in the absence of sufficient information, data, and figures.

Q. Will you please tell me what you mean by 32 per cent?

A. The 32 per cent was the per cent of the intrastate earnings to the total earnings of the North Carolina Road for that year.

Q. Supposing that there were no allowances to be made on account of extra cost of intrastate business and therefore that the expenses were to be proportioned between intrastate and interstate in the proportion of the total volume of business that each has, I wish to know how much of the \$199,973.15, the total of maintenance of equipment, shall be charged to intrastate business?

A. With that theory it would be 32 per cent.

Q. And that would make how much?

A. I make it \$63,991.

Q. What is the difference between the amount which you have actually apportioned for that item and the amount just given?

A. The amount actually apportioned to the intrastate business is \$72,938.20, the difference would be \$8,946.80.

Q. What per cent is that of the \$199,973.15?

A. About 4 4-10 per cent.

Q. If you add 10 per cent under the Nebraska decision, to what would you add it?

A. Ten per cent of the gross earnings.

Q. Ten per cent of the \$199,973.15?

A. Oh, no.

Q. Ten per cent of what gross earnings?

A. Ten per cent of the intrastate gross earnings.

Q. What item of gross earnings do you calculate the 10 per cent on?

A. Five hundred and ten thousand dollars.

Q. Ten per cent of that?

A. Yes, sir.

Q. If you add 10 per cent to the operating expenses for the intrastate business, you take that 10 per cent from the expenses of the interstate traffic necessarily?

A. If you attempt to strike a balance, of course.

Q. I ask you if that will not make the difference between the cost of intrastate operation and interstate operation more than 10 per cent?

A. Yes, sir.

Q. Then why did you say yesterday that you calculated this on a basis of 8 and a fraction per cent?

A. Eight and a fraction per cent above the average general expense ratio.

Q. Did you not state a moment ago that the 10 per cent was 10 per cent of the gross receipts?

A. Of the gross intrastate receipts.

Q. Now you say that the 10 per cent is 10 per cent of the proportion that the gross intrastate receipts bear to the gross receipts?

A. No, it is not a proportion of the gross intrastate receipts. It is the expense ratio we are talking about. It is not a comparison of the intrastate and interstate earnings. For illustration, supposing that its costs seventy cents in operating expenses for each dollar earned of the North Carolina Road on all the business. Now, under the rule as applied in the Nebraska case, it was figured that it would cost eighty cents; if it cost seventy cents to handle the whole business, it would cost eighty cents to handle the intrastate business, and that is the basis on which the computation is arrived at.

Q. What are the gross earnings?

A. Five hundred and ten thousand sixty-six dollars and nineteen cents.

Q. What proportion of the passenger fares do the mileage tickets constitute?

A. I can not tell you that, sir, without the books before me.

Q. Can't you make an estimate?

A. No, sir.

Q. What proportion of the mileage tickets are apportioned to intrastate and what to interstate traffic?

A. As I understand it, and have been informed and believe to be true, the mileage tickets when taken up are returned by the conductor and reported between which stations they are used. That will make them intrastate if the man starts at one point in the State and left at another in the State.

Q. So that would make a large amount of them in all probability intrastate on the North Carolina Road?

A. I can not say as to that.

Q. Would not, according to the rule you have just stated, every dollar of mileage tickets be charged to intrastate traffic, on the North Carolina Road, that road lying entirely within the State of North Carolina?

A. You do not charge earnings to the road.

Q. Are the mileage tickets considered and charged up as intrastate or interstate?

A. The course of that passenger is traced as nearly as possible.

Q. Have you not just said that on the North Carolina Road where a passenger using a mileage ticket gets off and on within the State that it would be reported as intrastate?

A. Yes, sir.

Q. Then if that is the case would not every dollar of mileage tickets on the North Carolina Road be considered intrastate earnings?

A. I should say not. He might ride from Charlotte to Washington.

Q. How could he do so on the North Carolina Road?

A. It would be reported that that passenger was moving on.

Q. What form is used for that purpose; did you ever see one?

A. I think that some of the conductors run through. What I meant was that so far as the conductor could locate the starting point and destination of the passenger he reported those mileage tickets or books.

Q. If a mileage-book passenger should get on at Raleigh on his way to Washington, he would be reported as intrastate between Raleigh and Greensboro, wouldn't he?

A. I suppose so. I can not testify absolutely as to that.

Q. Are you testifying upon knowledge?

A. I am testifying on what I know on general information on this particular point.

Q. Do you know how many dead-heads rode on your road last year, the North Carolina Road?

A. No, sir.

Q. Have you any means of arriving at that information?

A. Not directly.

Q. Indirectly?

A. I suppose that it could be determined. I can not testify as to that.

Q. I suppose there is record?

A. That does not pass under my supervision.

Q. Does the conductor report them?

A. I suppose he does. That is on information and belief.

Q. Those reports do not come to you?

A. No, sir.

Col. Henderson :

Q. In much of your examination here as to these matters, you have given your opinion. I would like for you to state what experience you have had in such matters, for how many years?

A. I have had thirteen years experience in railroad work. I started with the Union Pacific in 1885; during that time I was in the auditor's office most of the time, starting from a clerkship and went through pretty much all the work until I became chief clerk; then I was made assistant to the auditor, then assistant to the

first vice-president as an expert on statistical matters in order that operating expenses might be analyzed and that class of work performed in the vice-president's office. After that I was appointed in charge of the office of the Receivers of the Union Pacific in New York City and was secretary there. Following that I came to the Southern in 1895.

Q. Have you ever had special experience in analyzing accounts with respect to division between two roads?

A. I have had a great deal of experience in that direction. While with the Union Pacific I was called upon to make examination of accounts between the Union Pacific and other companies. I examined the accounts of the Missouri and Pacific to determine whether or not one of the lines leased by them was being treated fairly in the division of expenses. I went through all the books, and of course made a full report on that.

Q. Was that the service of an expert?

A. Such matters would require an expert in accounts, and also in determining what would be fair and proper in each case where arbitrary percentages were used. Not a mere matter of taking up figures. Among other experiences I was employed by the reorganization committee of the Oregon Navigation Company to examine the books of the Union Pacific Company and its receivers and to determine similar questions with respect to the Oregon Railway and Navigation property as to whether it had been fairly treated in the division of expenses between the Union Pacific and the Oregon Navigation Company. Then I have made a number of other examinations along the same line. The accounts of a system as a whole, including all the earnings and expenses, can be stated with exactness. When it comes to a division of those accounts as between the whole system and individual parts there must necessarily be an approximation based on percentages which are based on fairness and good reasoning. No statement of division of expenses would ever be exact. It must be based, to some extent, on percentages, such as percentages of railroad gross earnings and similar bases.

Q. Is there ever an estimate made of expenses and earnings based upon a showing of the figures for one-quarter of the fiscal year?

A. Never. The figures for one-quarter of the year or for any three months of a year can never be considered as one-quarter of the year's results. It is very easy to understand that, because there are many expenses which might go into one month that would make the net in that month below the normal, so that the only figures which can properly be taken are based upon returns for twelve months.

Q. Is, then, the result for any three months a fair basis for considering the operations of a railroad at all?

A. No. In point of fact the quarter from July to September would be lighter than the average. The next quarter would be very much heavier.

Q. Then this report of three months intrastate operations of the North Carolina Railroad, which has been filed, is not a fair basis?

A. Not for a year's period.

Q. When does the fiscal year of a railroad begin?

A. Most of the railroads have adopted the fiscal year of the Government, which ends June 30th. That is the case with the Southern Railway Company.

Chairman Caldwell:

Q. Where would the expenses of damages against a railroad appear? In what account?

A. They would appear in the account of losses and damages.

Commissioner Pearson :

Q. Who makes out that report ?

A. That was made out by the Auditing Department of the company.

Q. Had you anything to do with it ?

A. I verified it to satisfy myself that the results obtained were upon the basis which was to be used in making the report. The Auditor prepared the figures.

Col. Hinsdale :

Q. Do you know why it was that the North Carolina Road or the Southern omitted to furnish any of the data called for in this report pertaining to through business ?

A. I do not think I could testify as to that. I think it was understood that the intrastate business was wanted.

Q. That is one of the blanks to be filled in the blanks furnished by the Commission ?

A. There are a good many blanks that are filled out incompletely.

Q. From whom did you get the understanding that the through business was not to be included in this report ?

A. I suppose that matter was determined by the President.

Col. Henderson :

Q. Did you know that those blanks were sent out ?

A. I did not.

Q. Did you know it was compiled in the present calendar year ?

A. I have been told it was.

Q. Was it before the decision of the Nebraska case ?

A. I think it was.

Q. Was not the Southern Railway Company advised, in view of the Nebraska decision, that the reports to be made to State Railroad Commissions should be limited to intrastate business ?

A. That was my understanding.

Examination of Mr. Hill concluded.

Mr. Harrison :

Mr. F. S. Gannon, being duly sworn, says :

Q. What is your connection with the Southern Railway Company ?

A. Third Vice-President and General Manager.

Q. What has been your railroad experience ?

A. I began railroading in 1868 as a telegraph operator. I remained with that road three or four years; was made station agent, then I left; then I went to the New York System as clerk in the President's office; had several changes until I was made chief train dispatcher in 1873; was with the Long Island Railroad from 1875-78; was with the Baltimore and Ohio until 1881; General Superintendent of the Louisville and Nashville 1881 to 1886; General Superintendent and finally General Manager of the Staten Island System 1886 to 1896; General Superintendent of the Baltimore and Ohio 1888 to 1897; came to the Southern January, 1897.

Q. What are your present duties with the Southern ?

A. General charge of the operations and maintenance of property.

Q. In your opinion, as an operating officer of railroads, will you please state what, in your opinion, is the relation of the expenses of local business to through business, or general business ?

Col. Hinsdale:

Q. Have you any actual knowledge of the facts as to the North Carolina Road?

A. Yes, sir.

Mr. Harrison:

Q. In your opinion, as an operating officer of railroads, will you please state what, in your opinion, is the relation of the expenses of local business to through business, or general business?

A. The relation of the local to the through will vary as between roads almost constantly. I daresay it would be difficult to find two roads that use the same ratio. It depends largely upon the volume of traffic of both kinds. That would be a determining factor in the relation of the local to the through,—the volume of business first, so that there might be a variation of 10 per cent on one road and 25 per cent on another.

Q. That is to say the local business may be from 10 to 25 per cent more expensive?

A. The local business is more expensive to handle than the through business.

Q. You have had experience in the operations of the North Carolina Road. Will you please state first, what in your opinion is the relation of the expenses of the local business on the North Carolina Road to the expenses of the through or general business. The North Carolina taken as a whole?

Question repeated.

A. Taking the line between Greensboro and Goldsboro as an illustration: There we run three passenger trains each way—one for through business and two for local business. We run four freight trains each way—three for through business and one for local business. Now, in the movement of the freight business, three locomotives and crews, consisting of five men each, are engaged, and in the local business three locomotives and crews, consisting of six men, are employed. The three crews and locomotives in the through business handle ninety cars and make the run in about eight hours. The three engines and crews engaged in the local business move about sixty cars per day, and are engaged from eight to ten hours each day. In other words, one engine and a crew of five men will handle thirty cars in the through business; one engine and crew of six men will handle twenty cars in the local business and take longer time. The men employed on the local train are paid higher rates than those on the through trains. The coal consumed is practically the same, as the engine of the through train of thirty cars will handle them with practically the same amount of coal that is consumed by the local engine moving twenty cars, so that the ratio of fuel expense is practically the same, with the labor being higher in the local business than in the through. The men in the local service are paid more per day or per run than those in the through.

Q. An engine running ten hours would use more coal than one running eight?

A. Yes, because of being in more constant service. An engine on the local business, on account of frequent stops, consumes much more coal.

Q. Is not the proportion of coal used, for the amount of traffic handled, greater for the local than the through?

A. Yes, just as two is to three; it is twenty cars to thirty.

Q. Will you state the general deductions?

A. In the case of the passenger service, local business figures at practically the same figures. There are two engines and crews engaged in the local business, as against one in the thorough business. In the expense of train service, I do not think there is any question but what it costs more than 30 per cent more to do the

local business than the through business. I should say 50 per cent in those items of expenses.

Q. How about the expense of stations and station agents with respect to the two classes?

A. Taking this line again, if it only had through business to handle, there would be no necessity for station service to any appreciable extent outside of Greensboro, Goldsboro, Durham and Raleigh. It is fair to charge the other stations on that line to the local business, as they are maintained almost entirely for the development of the local business, for the handling of local business. I do not know how that would figure out in dollars and cents, but the station service is greater, I know, than the expenses of the four stations mentioned.

Q. Will you state again your general conclusions as to the relation of the expenses of the local to the through business?

A. I feel sure that it can be shown beyond question that it costs between Goldsboro and Greensboro 30 per cent more to handle the local business.

Q. How about between Greensboro and Charlotte?

A. There the conditions differ somewhat. We run two local passenger trains each way and two through passenger trains each way. The expense of running those trains is, for all practical purposes, the same. The through trains consist of seven or eight cars and the local trains of three or four cars. The frequent stops of the local trains, of course, increase expenses, wear and tear, while the speed of those trains is just as great as that on the through trains between stations. The four-car local train on the main line between Greensboro and Charlotte shows just about half of the earnings of the through train, while the expenses are practically the same. Now in moving freight, there are four through trains to one local. The train expenses of moving the local train, however, is 30 to 40 per cent greater than the expense of moving through freight trains. The tonnage of the local train will not average 65 per cent of that of the through, while it costs more to move that 65 per cent than it does the through freight.

Q. The local business on the main line is done on the same conditions as that between Goldsboro and Greensboro?

A. Yes.

Q. What, then, would be your conclusions as to the relation of the general expenses of the line between Greensboro and Charlotte?

A. I do not think there is any question but what the expense of handling the local business on the main line exceeds 30 per cent. If the through business can be handled at 60 per cent, it will cost 78 to 80 per cent to handle the local, in the train service line. On a basis of 60 per cent for through, I think on the North Carolina Road it will cost 85 per cent to handle the local.

Q. Are there any unusual expenses incident to the through business that are not incident to the local business?

A. Yes; but as a rule, those unusual expenses are so absorbed in the greater volume of traffic that the average remains lower.

Q. How would that affect your ratio, if at all?

A. That is a hard question to answer off-hand, but I will venture to say 5 per cent.

Q. Those expenses are not, however, charged to the North Carolina Railroad, are they?

A. No; they are charged to the through business.

Q. You have estimated the relation of the expenses of local traffic to the general business to be 30 per cent greater in train service. Is that correct?

A. It will exceed 30 per cent ; that is inside the actual, I am sure.

Q. Then you would say that an allowance of 10 per cent in excess in the expense ratio for the local business is a small allowance?

A. Yes, in the case of the North Carolina Road. It is too small ; smaller than the fact.

Q. Please state similarly with regard to the expense of maintenance of way and maintenance of equipment.

A. I can not arrive at that in the same. That must, I think, to a great extent, be reached arbitrarily, which would be, in my opinion, on a basis of ton one mile and passenger one mile as the local is to the whole. I think the expense of maintenance can be divided on that basis and in that way.

Q. What effect would that have upon the proportion of local earnings to the through earnings?

A. That would have to be figured out. The ratio of one road is not in any way applicable to another.

Cross-examination, by Col. Hinsdale :

Q. Did I understand that in estimating the proportionate cost of traffic of the smaller stations, other than the four stations named, were charged up to local traffic?

A. No, not charged up on that basis.

Q. What did you say in regard to those smaller stations?

A. Explaining how I arrived at the difference in cost of moving the intrastate and the interstate, I said that it would be practically fair to estimate that all the station expenses between Goldsboro and Greensboro, excepting Durham and Raleigh, was practically chargeable to this business.

Q. Is it not a fact that in all of these smaller stations a large proportion of the freight business is freight that is brought into the State, shipped from northern marts?

A. I do not know what the proportion might be.

Q. Do you not think that it is a large proportion—the freight business of each of these smaller stations?

A. I do not. I think the average of the North Carolina business is intrastate business ; is considerably greater, taking all those stations together, than the interstate business.

Q. Can you give me a general idea as to what is the character of the freight business of any one of these stations?

A. Fertilizer, cotton, lumber, general merchandise.

Q. Taking general merchandise : A very large proportion is general merchandise : would you be willing to say that as much or more than one-half is general merchandise?

A. Yes, I think so.

Q. The general merchandise is merchandise that is received by merchants who have their stores?

A. Yes, sir.

Q. Don't you know that the merchants, as a general rule, supply themselves with what they sell from northern marts rather than from places in North Carolina?

A. I think the majority of the small stores are supplied from distributing centers, such as Greensboro, Raleigh, etc.

Q. What proportion are supplied from outside the State, one-fourth?

A. Possibly one-fourth.

Q. In regard to the shipping of produce that is raised along the line of road ; cot-

ton, for example—don't you know that a considerable portion of the cotton that is shipped from these smaller stations is shipped north?

A. No, sir, the greater part of it is shipped locally; the most of it to Charlotte.

Q. Do you not think as much as one-fourth is shipped out of the State?

A. I think not, sir.

Q. Do you not know that a great deal of cotton is purchased by cotton buyers from Raleigh and Durham and shipped by them directly north?

A. Yes, that becomes interstate business. It was shipped by them to local points and this enters into the calculation.

Q. What proportion, would you say, of the cotton shipped along the line of road might be considered as interstate business, one-fifth?

A. I think it safe to say 20 per cent.

Q. Will you say the same thing in regard to the other farm commodities raised along the line of road?

A. Yes, sir.

Q. How is it in regard to passengers? Are there not quite a number of persons who buy tickets at these stations for points outside the State, and who arrive at these stations from points outside the State?

A. Yes, sir.

Q. Will you give an estimate of the interstate—the proportion?

A. It is known to be 32 per cent, or about that.

Q. In view of the fact that 20 per cent of the farm commodities are shipped outside the State, and 32 per cent of the passengers that get on and off at these smaller stations are interstate, is it exactly fair not to count the smaller stations as doing interstate business, as well as the termini and Raleigh and Durham?

A. No part of those outside expenses is charged to the intrastate business.

Q. That is the reason, then, that you do not credit to intrastate business that proportion of the business that comes to and from the smaller stations?

A. In my conclusion that is so.

Q. Expenses are pretty heavy?

A. Yes, sir.

Q. What expenses do you think chargeable to the entire business in North Carolina, interstate and local, of this character?

A. I could not answer that without consulting data.

Q. Give an estimate?

A. I should not want to risk that.

Q. It must be very large indeed?

A. Well, no; I think when you take the expenses of your four important stations out and charge them to your outside expenses, that it is a very liberal estimate in favor of domestic expenses.

Q. Were you ever called upon to make just this calculation before?

A. No.

Q. It is not a calculation that is frequently made?

A. No.

Col. Henderson:

Q. While you take out the expenses of those four large depots and charge them exclusively to the interstate business, you understand, I presume, that much local business is done at these places, but you take it out and charge it all to interstate?

A. Yes, sir.

Col. Hinsdale:

Q. In making this calculation, you take Durham and Raleigh and give all their business to interstate?

A. No, sir, just the expenses.

Q. All the expenses to interstate?

A. Yes, sir.

Q. Do you not know that a very large proportion of Durham, Raleigh, Greensboro and Goldsboro are intrastate business?

A. Yes, sir.

Q. So that in making this estimate there is a great deal of guess work?

A. In analyzing your station expenses you must approximate, based upon the best information you can get. In the train expenses you can get that almost exactly.

Q. You have spoken of some through trains and passenger trains. Take the passenger train—the train that leaves here for Greensboro at 3.30 p. m. What do you call that?

A. That is a local.

Q. Does that not connect with the northern bound train at Greensboro?

A. It meets the train that left Charlotte at — o'clock. The second train has through connection; the train passing here in the afternoon.

Q. That has a through connection. You call that, however, a local train. Don't you know that upon that train a good many through passengers ride? Give me the proportion?

A. I do not know on that particular train. Local trains do handle some intrastate traffic, as the through trains also handle the intrastate and you could only get at that exactly by following it up in detail every day; but the two trains we designate as local would be run, and are run, practically, without regard to the through needs; they are run for local accommodation.

Q. But they carry through passengers also?

No answer.

Q. A large number of locals ride upon these trains?

A. Not a large number. The trains earn about sixty cents per mile, and in round figures one-third of that in the whole passenger service is through business, or twenty cents a mile.

Q. How do you take into account the receipts?

A. Taking our train service between Goldsboro and Greensboro as a basis: In one case it costs \$1 to move thirty cars and in the other case it costs \$1 to move twenty cars. In that item of train service is a difference of 50 per cent. Other figures must be arrived at by taking your passenger mile as a basis, or probably work out your train mile as a basis, will bring the whole less than 50 per cent to handle your cars.

Q. Did you not bring the 50 cents down to the 10 cents by taking into the calculation the fact that there were quite a number of items, and very large ones, too, that must be proportioned according to the volume of business?

A. Yes.

Q. Did you take in consideration at all the question of receipts from freight?

A. In a general way, yes. It had an influence in making up the estimate.

Q. If the difference in the cost of transportation of local traffic and passengers is from 10 to 20 per cent greater than the cost of transportation of through freight, and if the charges for transporting local freight and local passengers are from 25 to

50 per cent greater than the charge of transporting through passengers and through freights, would it not more than compensate for the increased expenses?

A. Oh, yes, if you put 20 per cent against 40 or 50.

Q. You can not state what is the exact proportion?

A. No, sir.

Q. If you were to attempt to proportion the different expenses of the transportation of local and through passengers and freights, it would be very difficult to do it. You would have to make almost an arbitrary division?

A. Yes, sir.

Q. Take the item of the cost of the train service of the passenger train—the engineer and crew; you could not tell exactly how to proportion that between the through and local, could you?

A. There are two ways to arrive at that; one is the cost of through train service against that of the local train service. Another would be to divide that train expense on the basis of passengers handled by those trains—intrastate and interstate business.

Q. Do you know as a matter of fact whether the data was preserved and filed from which a calculation of this sort could be made?

A. I do not know just what the Auditor does.

Q. You do not know whether they undertook to calculate the intrastate and interstate of each train?

A. I can not say they did, while they may have done so.

Q. If you want to charge through train service to interstate and your local train service to domestic business, per train miles, say 1,000 a day, how would you divide that expense of the 1,000 miles upon the basis of passenger miles?

A. To do that the conductor must make his report to show just how many through and how many local passengers were on that train.

Q. I understand you to say that you have kept such report, showing the number of passengers, intrastate and interstate. For what is it made?

A. Several reasons. One is to keep track of the development of each station; another is to supply connecting links on through tickets.

Q. Would either of these objects be forwarded by keeping an account of how many through and local passengers rode on that particular train?

A. Yes, sir, the conductor leaves Jersey City with 100 passengers; his report will show the number of passengers on at Jersey City and from every point between there and Philadelphia to each point of that division, and also the number of tickets he had. Indeed they have quite an elaborate statement. When he finishes his trip his train report is a complete record of the train he handled.

Q. Why do you wish to preserve the data of the number of passengers that travel on that train?

A. The General Manager may ask for, at any time, the statistics of any particular train. We are obliged under the interstate law to show in detail the through and local business.

Q. Do I understand that the Southern Railway Company tabulates and has a record of that sort, showing the number of through and local passengers on each train?

A. In my year and a half with them I have never seen a conductor's report. I was only talking about the report I have seen. I do not know just what our conductors' form is.

Q. Do you know whether those passengers who have mileage tickets or books are treated as intrastate and what proportion as interstate passengers?

A. In the case of the North Carolina Road the conductor between Goldsboro and Greensboro reports and turns in the mileage tickets collected on that train.

Q. Does he show whether they are intrastate or interstate?

A. He reports a mileage passenger carried from Raleigh to Greensboro. In that case it becomes a local ticket.

Q. If that passenger is on his way to Danville he is a through passenger, and being a through passenger he is reported so far as the North Carolina Road is concerned as a local passenger?

A. Yes, while the conductor from Greensboro to Danville would report it as an interstate passenger.

Q. You say that the expense of a local freight train, although it carries only twenty cars, is larger than that of a through train carrying thirty cars: how do the expenses of the engines used compare?

A. About the same.

Q. How is it with reference to the passenger engine? Does not the engine of your through train from Washington to Atlanta have a larger engine than the local train?

A. No, sir. In the case of No. 7 and No. 8 between Charlotte and Richmond, that is a smaller engine than the engine on the through train. The engine of 11 and 12 is the same type of engine that is used on the through train. They are run on the local or the through. On the local from Goldsboro to Greensboro the engine is the same.

Q. I notice in the report for 1897 that there is a large item called "excess of car mileage." What is the proper distribution of that item between local and through, and how arrived at?

A. That is one of those general expenses that would have to be divided on the ton mile basis.

Q. Does not the North Carolina Road use for its local business a larger proportion of its own cars than for the through business?

A. It may in some seasons of the year and will not in other seasons of the year. The car equipment of all the roads are frequently pooled. In the dull season, why we endeavor to use our own cars and equipment to save paying mileage to the other fellow. In other seasons we have to take a car without regard to ownership.

Q. That item of "excess car mileage" is a very large one. Does that mean freight as well as passenger cars?

A. Yes, it means both.

Q. Is there any other fairer way to distribute that item between the two classes, intrastate expenses and interstate expenses, than by respective volume of business of each class?

A. It depends much upon conditions; with some conditions there might be and others not.

Q. Take it in the case of the North Carolina Road. Is there any fairer way to divide that item than to divide it according to the respective volume of business of the intrastate and interstate?

A. If the accounts were kept in detail for the North Carolina Road individually, why of course you could get it exact.

Q. It would show exactly to a cent what the car mileage paid was in excess of the car mileage received?

Q. You are talking now with regard to the entire amount of car mileage ; not the amounts as divided between the two classes of business. Does not that item show the difference between what is received and what is paid ?

A. Yes.

Q. How would you proportion that item otherwise than according to the volume of business ?

A. I do not know just how that figure was arrived at ?

Q. Suppose that is the difference between the car mileage received and paid, then how ought that to be distributed between intrastate and interstate expenses in any other way than according to the volume of the respective class of business ?

A. If you were keeping independent accounts and handling all the details down to a fine point, why of course your record would show the cars moved in one class of service and the other.

Q. In the absence of such details as that, is there any fairer way to divide this item than in the way I have indicated ?

A. I do not think there is any fairer way.

Q. Then that item would not be loaded down with the 10 per cent ?

A. No, sir. Your tons per car in your local train are not as many as the tons per car in the through train, so that in your local train your tons per car may be seven cars ; in your through trains ten tons. Your seven ton car will cost the same per mile as the ten ton, so there is a difference. It is more expense in your local service per ton than in the through.

Q. If you are receiving for that smaller number of tons per car on the local train more than on the through, may it not more than make up the difference ?

A. It depends what the difference is in your rates and tons per car.

Q. Leaving that out, as fair a way as you can reach it is to divide each according to the volume of business, is it not ?

A. That would be hardly fair.

Q. What is your theory as to how it should be divided ?

A. The car miles.

Q. That certainly would be correct if that account was kept. Is it not a fact that frequently a car from Goldsboro to Greensboro has in it local freight as well as interstate freight ?

A. Oh, yes.

Q. Then coming back to the original proposition, is there a fairer way to arrive at a proportion of each than by dividing the volume of business ?

A. It is something you would have to approximate, and the only way would be a study of those details, and finally decide as to what bases you would take.

Q. Do you know anything about the number of dead-heads that ride on the North Carolina Road ?

A. No, sir.

Q. Where would that information be ?

A. I do not know whether the Auditor could get it or not.

Q. If anybody can get it do you think the Auditor can ?

A. I would ask him for the information first.

Q. And if you did not get it from him whom would you ask ?

A. I would probably get it.

Mr. W. C. Douglass :

Q. On what portion of the North Carolina Road have you the heaviest irons or steels ?

A. On the line between Greensboro and Charlotte—the main line.

Q. Why is it that you have heavier iron on what you call the main line? Is that for the benefit of the through traffic?

A. Not particularly; because it is the most economical to use.

Q. Not a great while ago, didn't your company, in order to comply with the requirements of the United States mail service, contract for and purchase a number of very heavy, rapid running engines, in order to comply with the law carrying through mails?

A. No, sir, those engines were bought to reduce operating expenses.

Q. The time in carrying the mail was not the question?

A. It was a question of economy.

Q. Compare the engines pulling the local and through trains between Greensboro and Charlotte. You say they are the same?

A. Two trains are the same—11 and 12—two engines on 7 and 8 are light engines.

Q. Compare the engines which you run from Goldsboro to Greensboro on your local trains with the engines that pull your through trains from Greensboro to Charlotte?

A. They are smaller engines.

Q. Are they not known as "coffee pot" engines?

A. No, sir.

Q. Are they not engines that have become too light for use on your main line?

A. They are too light for economical work of any sort. It costs just as much to run those engines as for heavier engines, and since the first of July last we have condemned fifteen or twenty of that class of locomotives. In the last six months we have been running the heavier 21 by 28 cylinder, and we can not find that it costs us any more to run that great engine than it does to run one of those smaller ones. They will pull more and do a good deal more of work at less cost.

Q. They cost more, don't they?

A. Yes.

Q. Don't you run what is known as "vestibule trains"? On what service do you run them?

A. Through service.

Q. You do not run them on the locals?

A. Not regularly; 11 and 12 do.

Q. Do you run them between Goldsboro and Greensboro?

A. Not regularly. I guess you will find vestibule cars here occasionally.

Q. Have you not certain contracts with the Pullman Car Company?

A. Yes.

Q. Do you run any Pullman car between Goldsboro and Greensboro?

A. Not on the local trains.

Q. Do not run any Pullman car on your local trains?

A. No, sir.

Q. Is not your Pullman car service devoted entirely to through traffic?

A. Yes, sir.

Q. Do you not pay the Pullman Car Company mileage for your through cars and don't you charge that up in your estimate?

A. I can not answer that, but I do not believe I should, as Pullman mileage is a separate item.

Q. Under what head could it possibly be included in the item of expenses of the North Carolina Road?

A. In the statement of expenses it is given in detail. We have the passenger car mileage, freight car mileage and Pullman car mileage.

Q. How much mileage do you pay for a Pullman car?

A. Two cents per mile, car mile.

Q. What is the distance from Greensboro to Charlotte?

A. Ninety-three miles.

Q. You pay \$1.86 for the car? How many do you run each way a day?

A. We have Pullman car lines that we do not pay for.

Q. Don't you pay on this line?

A. Thirty-five and 37, 7 and 8 are Pullman trains.

Q. How many Pullman cars do you run a day between Greensboro and Charlotte?

A. One car each way a day between Greensboro and Charlotte, and those are 11 and 12.

Q. You said that the local trains between Goldsboro and Greensboro carried through passengers and that the through trains also carried local passengers. From the fact that your through trains will only stop at very few points, the proportion of through passengers carried by local trains is not as large as those carried by your through trains?

A. Some days yes, and some days the local would probably exceed the through. On the through train the average number of through passengers is greater than the average number of local.

Q. Don't your local trains carry more through passengers than your through trains carry local passengers on an average?

A. I can not answer that.

Q. How many places does your through train stop at between Greensboro and Charlotte?

A. Thirty-seven and 38 between Greensboro and Charlotte make but two stops each way, and the other train about four each way.

Q. How many does your local train make?

A. I should say about fifteen or twenty stations between these points.

Q. As to the number of cars pulled. In respect to your through and local trains, how many cars?

A. Generally four cars on the local and seven on the through.

Q. You use the same train crew on your through cars as you do on your local?

A. Yes.

Q. In regard to your freight trains: about how many cars did you say your through freight trains carried?

A. Thirty.

Q. Your local?

A. Twenty.

Commissioner Pearson :

Q. The additional cost of running the local passenger service is not so great as that of the freight service from the interstate business, is it?

A. Not per ton mile.

Q. I understood you to say it cost 50 per cent more for freight?

A. The passenger business per ton mile is practically the same, the passenger train service on this line being two-thirds local and the main line 50 per cent local. The expenses per train mile are practically the same on through and local.

Q. You gave as an illustration three freight trains running from Goldsboro to Greensboro; these are made up at terminal points and do not stop at all stations?

A. Yes, sir.

Q. Does that local transact a great deal of interstate business between Greensboro and Charlotte?

A. There may be.

Q. Take Burlington and Graham that make shipments of cloth. Does not that local train transact all that business?

A. As a rule, yes.

Q. Then a large percentage of the business transacted by local trains is interstate business?

A. Possibly 25 per cent.

Q. What proportion of this car mileage balance is chargeable to the North Carolina Road?

A. I do not know.

Q. Can not state that?

A. No, sir.

Q. In what item of operating expenses in this answer would that be found, that car mileage?

A. In conducting transportation.

Q. You do not know the proportion?

A. No, sir.

Mr. W. C. Douglass:

Q. What is the difference in the cost of these vestibule cars and one of those ordinary day trains that you run on this line?

A. We are to-day buying a better passenger car, that is without the vestibule. We, of course, have a good many of the old cars in service, and some of those old cars probably cost as much as some of the new cars. The only difference between the vestibule and non-vestibule purchased to-day in the cost of the smoker, which is a matter of \$250.

Q. Are you not giving much better service on your through travel than to your local?

A. I think not. I saw this morning just as pretty a train as there is on the Southern Road; the regular train. The cars are older than those recently purchased, but they are in good condition, and the passenger is just as comfortable in that car as he would be in a sixty-five feet car, and that is about the only difference; the larger car is purchased to-day just as the larger engine is for economical reasons, and not for the comfort of the passenger.

Q. Do you undertake to say that one of those cars that you run every day from Goldsboro to Greensboro is just as comfortable?

A. Yes, sir.

Q. Where do you smoke?

A. In the smoking car.

Q. Where do you smoke in your new cars?

A. We had built some new cars with smokers.

Mr. W. W. Finley, being duly sworn, says:

Mr. Harrison:

Q. What is your connection with the Southern Railway Company?

A. Second Vice-President.

Q. What are your chief duties?

A. My chief duties are connected with the revenue department?

Q. What has been your railroad experience?

A. My first connection with railroads was as a stenographer. I served as stenographer in various offices, beginning in the office of the Vice-President. * * * After such active service I became Chairman of a traffic organization composed of various roads, and organized for the purpose of adjustment of rates within certain territories, both freight and passenger. My experience has covered the territory between Missouri and Colorado, between Chicago and Missouri, * * * and east of the Mississippi. I then went into the office of Traffic Manager in the northwest and from there came into the Southern Railway organization.

Q. Your experience has largely been with respect to traffic matters?

A. Yes.

Q. Please state what in your opinion is the effect, if any, upon the increase of traffic caused by a reduction of rates?

(Objection.)

A. My observation has satisfied me that there are times when abnormal low rates are made, growing out of what is called in railroad circles "war conditions." My observation has been that where abnormal low rates have resulted that immediately and for a time the travel has been increased, in that the impelling force of it is to move people who are, for any particular reason, to make the trip, but that element being satisfied, having made the trip, the travel, within a reasonable time, will settle down to about the normal proportion. The low rates are then used in about the proportion that the tariff rates are used. The rush the first instance is caused by the knowledge that the conditions are abnormal, and, therefore, it becomes necessary for those desiring to make the trip to make it at once, or in advance of what is called a restoration of rates. My observation has been that where a rate on a normal basis of \$7.50 and a reduction that may be on a basis of \$6.00, that that adjustment would hardly have any appreciable effect on the travel. I am not speaking in this of excursion rates, where the impelling force is some particular point. I do not believe that these impelling forces would cause a man to buy a ticket anywhere simply for the purpose of sitting under a tree for a day.

Q. It is not your opinion then that a reduction of a normal rate would result in an increase of traffic sufficient to compensate in revenue for the reduction?

A. No, sir.

Cross-examination, by Col. Hinsdale:

Q. Have you ever read "Todd's Railways of Europe and America?"

A. No, sir.

Q. What is the experience of railroads in Europe with reference to this very question?

A. I do not know. I have been too busy in studying conditions here.

Q. Has the opinion which you have given been the invariable result wherever there has been a reduction of rates?

A. Within my observation.

Q. Where have you made those observations?

A. I have made this observation between Duluth and St. Paul on one hand and Seattle, Portland, Vancouver on the other hand, covering a stretch of 2,000 miles of territory. I have made it between the Ohio and Missouri river.

Q. In each of these cases was there a slight reduction of the rate which was not followed by any appreciable increase of travel?

A. Yes. When I was chairman of what is called the Western Passenger Association, who had the control of rates in the sense of regulating them, one of the provisions was that there should be equality of rates between railroads. It was found in the case that I now refer to what is known as ticket brokers or ticket scalper, that he was manipulating tickets over one of the roads in a controlling sense, between Kansas City and St. Louis. Unfortunately the percentage of business done through brokers' office at that time was material. It was necessary to reduce the rate probably \$100. If I am correct, the normal rate was \$7.50; I authorized the use of a rate of \$6.50. The effect of that was not to increase the normal travel but to bring about an equality. As well as I can recollect, the rate made between Denver and Kansas City was down to a very low basis and the effect of that all parties who had any reason to go, to impel such at once to go; after that element had been satisfied, and it is usually soon the case, it gets down to the normal basis of travel.

Q. You never knew of a case where the lowering of rates actually kept people from going, did you?

A. No.

Q. Is not the natural tendency of lower rates to increase travel?

A. Temporarily.

Q. You say "temporarily." Do you mean to say that lowering the rate from \$7.00 to \$6.00 would have no effect then in increasing travel the second or third year?

A. Not appreciably.

Q. That word "appreciably"—you will not undertake to say that it would not, as a matter of fact, make some increase?

A. My opinion is that it would have no effect. There are so many other expenses connected with such a trip that would not be decreased by a reduction of rates, that you would hesitate to make the trip; the hotels bills, etc.

A. How would it be when there were no hotel bills to pay; from Burlington to Greensboro? Would it have no effect there?

A. No, sir, none at all.

Q. Be good enough to say, if you please, what change you consider would make a difference in the volume of business?

A. Where the rate is \$1.00, and you offer to carry him for twenty-five cents or ten cents he might go.

Commissioner Abbott:

Q. Reference has been made here as to the effect upon travel a reduction of rates had on European railways. How do the European railroads compare with the railroads in the United States?

A. My general information is that they are higher, but I would have to look at my record to ascertain that fact definitely. I have seen some figures that are higher.

Q. What effect in the agricultural regions, compared with the thickly settled regions, would a reduction of rates have?

A. My experience is that an agricultural population is not a travelling population.

Q. Would a reduction in rates in an agricultural region have the tendency to increase travel as much as in a region thickly settled?

A. No, sir. This question of transportation is a study, as you appreciate, Doctor. It is not a theoretical one; do not have to read books to get at it. The man who

writes the books usually is not the man who has had much railroad experience. He has studied it from an outside point of view.

By consent, the reports of the Southern Railway Company, heretofore filed with the Commission, are in evidence to be read by either side.

Attest :

H. C. BROWN, Clerk.

COL. HENDERSON'S ARGUMENT.

EFFECT OF PROPOSED REDUCTION IN PASSENGER RATES ON NORTH CAROLINA RAILROAD.

The proposed reduction in passenger rates is about 25 per cent. Therefore, if effective, the proposed reduction would give the company 75 cents, where it now receives \$1 on intrastate passenger business.

The average cost in 1897 of earning a dollar on the North Carolina Railroad was 72 15-100 cents, without taxes, and with taxes included was 73.71 cents.

The intrastate traffic costs more to handle than the interstate. But even assuming, for argument's sake, that the intrastate passenger traffic could be handled at the general average ratio of expenses to earnings, the proposed reduction would practically wipe out all profit and leave no income upon the investment whatever, because for each 75 cents earned the company would have to spend at least seventy-four cents for expenses of operation.

CONCERNING THE RATIO OF EXPENSES TO EARNINGS.

In comparing the expense ratios of various railroads the different conditions under which each is operated must be considered.

Shortage of equipment, heavy grades, high curvature, etc., all increase the ratio of expenses to earnings. This is the explanation of the difference between the expense ratio, shown by the Wilmington and Weldon and Raleigh and Gaston roads, and the North Carolina Railroad. The ratio of total expenses to total earnings of the North Carolina Railroad, in 1897, was 72.15 per cent.

If the North Carolina Railroad Company had owned sufficient equipment to handle all the traffic on its line, and had not been obliged to use equipment owned by other companies, the ratio of expenses to total earnings would have been 61.04 per cent.

This computation can be verified from the 1897 Report of the Commission by deducting from the total expenses the "hire of equipment balance," which would leave the total expenses \$971,713.25; gross earnings, \$1,592 217; ratio of expenses to earnings, 61 per cent.

Compare this with the expense ratio on the entire Southern Railway System (exclusive of the North Carolina Railroad), which, in 1897, was 65.50 per cent.

(This can be verified by figures contained in the Southern Railway Company's Annual Report for 1897, p. 35, copy submitted herewith.)

It thus appears that the cost of operation aside from rental of equipment per \$1 of earnings was less on the North Carolina Railroad than upon the other combined lines of the Southern Railway Company's System.

The charges for rental of equipment upon the North Carolina Railroad were made according to the actual mileage and use of equipment upon said road, due credit being given at the same rates, for all mileage made by equipment owned by the North Carolina Railroad Company. These charges were, therefore, entirely fair and proper, and the expense ratio for 1897, viz: 72.15 per cent is thus proved to be a reasonably low one, under the actual conditions existing upon that road. The rates charged for hire of equipment were 6 mills per mile for freight cars; 3 cents per mile for passenger cars, and 1½ cent per mile for baggage, mail, express and caboose cars. The rate charged for freight car mileage is lower than the rate usually charged between independent roads in the South; the other rates are the same as usually charged. The rates charged for hire of engines were below the rates charged between independent companies.

The general expense ratio of 72.15 per cent being thus demonstrated as a fair one, the answer of Mr. Spencer computes the expense ratio appertaining to the intrastate traffic at 80.89 per cent, upon the addition of 10 per cent of the general average expense ratio, following the basis of the computation set forth in Mr. Hill's evidence. The intrastate gross earnings being \$510,000, the intrastate net earnings were thus computed at \$97,000. After deducting the intrastate proportion of taxes, the net earnings shown and testified to were about eighty-nine thousand dollars. (Pages 21 and 22 of the Southern Railway Company's answer.)

This sum of \$89,000 thus fairly and reasonably arrived at, is the amount which should be considered as applicable to the payment of interest upon the intrastate proportion of the value of the investment of the Southern Railway Company in, and in respect to, the North Carolina Railroad.

The calculation of the total intrastate operating expenses, as contained in the answer, having been demonstrated to be fair, it is perfectly idle to discuss such accounts of the total expenses, or to criticise them in detail. The computation of such details was arrived at by taking the total intrastate expenses, as computed, viz: \$412,000, and then distributing that amount to the various detailed accounts upon an arbitrary or approximate basis, it being impracticable to make such subdivision with absolute accuracy—all as stated in the testimony of Mr. Hill and Mr. Cannon. Whatever basis had been adopted for subdividing the total intrastate expenses among the several sub-accounts, the net earning from intrastate traffic would not have been changed or affected. Even if it were possible that some of the sub-accounts as thus determined are stated too high, the others could be stated equally too low. The total has been shown to be fair. Therefore, criticisms directed against a few of the sub-accounts, without taking into consideration each and all of such accounts, are unfair and illogical.

It has been demonstrated, both by Mr. Spencer's answer and the testimony here supporting that answer, that the amount shown as net earnings from intrastate traffic, near the top of page 22 of the answer, was arrived at by fair and logical process. This amount, as stated, is \$89,473.04.

In making this computation, it was necessary to consider three factors only. These three factors once proved to be correct, and our case is proved beyond question.

The first of these factors is the amount of intrastate gross earnings.

The second factor is the proper ratio of expenses to earnings in handling intrastate traffic on the North Carolina Railroad.

The first of these factors for the year 1897, namely, the gross intrastate earnings, was computed from original sources and represents the actual amount earned and terminated within the State. The amount of these gross earnings, as stated in the answer, and as verified by proper testimony, was \$510,066.19.

The second factor to be obtained was a proper expense ratio applicable to intrastate traffic. The basis adopted for that computation, as shown by Mr. Hill's evidence, was substantially the basis employed in the Nebraska decision, viz: An addition of 10 per cent to the general average expense ratio, in order to ascertain the lowest ratio of expenses to earnings, which the court decided should be considered in figuring the expenses of handling intrastate traffic. This may be expressed in another way by saying that, in the judgment of the operating and traffic officials of the Southern Railway Company, it costs at least ten cents more to obtain \$1 of intrastate earnings than it does to obtain a dollar of earnings from all sources.

Now, the general average ratio of expenses to earnings upon the North Carolina Railroad was 72.15 per cent. This is the percentage given in the annual report to the Commission for 1897; adding 10 per cent to 72.15 gives 82.15. Apply this to the \$510,000 gross intrastate earnings and you get about \$418,000 expenses. This amount of expenses was reduced by about \$6,000, as explained in Mr. Hill's testimony, leaving \$412,000 as the intrastate expenses, and \$97,000 as the surplus of intrastate earnings over operating expenses.

The third factor was the proportion of taxes chargeable to intrastate traffic, which was figured at the percentage of intrastate traffic to the whole. This yielded taxes as about eight thousand dollars, and net earnings about eighty-nine thousand dollars.

Twenty-five per cent reduction in rates—\$74,000, against \$89,000 net earnings as above, would leave only \$15,000.

Afterwards the interest on value of the property must be considered. As the proper basis for that calculation we submit pages 4 to 9 of the answer of Mr. Spencer of June 8.

Mr. Douglass, in his argument, characterized as unfair the statement contained on pages 17 to 20 of Mr. Spencer's statement to the Commission of February 26, 1889, showing the local rates charged upon various railroads in all parts of the United States. He compared the rates shown in said statement with the general average earnings per passenger per mile in the entire United States, which, he said was about 2.1 per cent. This rate includes all classes of business, both through, local and excursion, and also the low commutation rates in effect near the great cities.

The statement of Mr. Spencer as to local rates is absolutely correct and proper.

SHORTAGE OF ROLLING STOCK ON SOUTHERN RAILWAY SYSTEM.

Again, referring to the considerable expenses charged against the North Carolina Railroad division for car mileage and rental of equipment, it should be stated that no profit whatever is derived from the other Southern Railway lines, arising from the use of Southern Railway Company equipment on the North Carolina Railroad. The equipment of the Southern Railway System, as a whole, is insufficient for the traffic of said system. This is shown on page 35

of the Southern Railway Company's annual report, from which it will be seen that there was a net expenditure for car mileage on the Southern Railway System, paid out to foreign companies, amounting to \$37,864 for passenger car mileage, and \$126,967.25 for freight car mileage. If the North Carolina Railroad had not used the Southern Railway equipment, the Southern needed its equipment upon its other lines, and could doubtless have sent it out on foreign lines at higher mileage rates than was charged to North Carolina Railroad division.

It ill becomes the complainant, who has heretofore contended on behalf of the State, that the rental paid by the Southern Railway Company, under the terms of the lease of the North Carolina Railroad, was less than a fair return upon the real value of the property, to come forward now and contend also, on behalf of the State, that the property is worth less than an amount equal to the capitalization of the rental or the market value of the North Carolina stock.

COLONEL HINSDALE'S ARGUMENT.

REVIEW OF THE SOUTHERN RAILWAY COMPANY'S FIGURES.

1. EFFECT OF PROPOSED REDUCTION.

The learned counsel for the Southern Railway Company says that the proposed reduction of passenger rates will wipe out all profit on the intrastate passenger service. While this is denied, still, if it be true, it is not material. For so long as the company is permitted to make a fair profit on its entire intrastate business, including passenger, express, mail and freight, the reduction will be upheld.

2. RATIO OF EXPENSES TO EARNINGS.

Much has been said about the ratio of expenses to earnings, and an effort has been made to explain why the ratio on the North Carolina Railroad is greater than on the Raleigh and Gaston Railroad, or on the Wilmington and Weldon Railroad.

This is immaterial. For the real question is, whether, after the proposed reduction of passenger rates, the company can still make a fair profit on its intrastate freight and passenger business as a whole. But the statement that the ratio of expenses to earnings is moderate in the case of the North Carolina Railroad is controverted. Unless such ratio is just, and is the result of fair treatment of the North Carolina Railroad by the Southern Railway Company, no calculations can be made upon it. The accounts must be fairly kept. There are several extravagant items in the itemized statement of expenses of the North Carolina Railroad Company, to be found in printed reports of 1897, page 256. Let us compare them with similar items in the report of the Seaboard and Roanoke Railroad Company, whose ratio of expenses to earnings is represented at 65.3 per cent, as against 72.15 per cent of the North Carolina Railroad Company.

The first is 56.4 per cent of the latter. Consequently, if their expenses were in the same proportion as their earnings, the expenses of the Seaboard and Roanoke Railroad Company would be 56.4 per cent of the North Carolina Railroad. Yet, upon examination, we find that the total cost of maintenance of way and structures of the Seaboard and Roanoke Railroad is		\$83,422.75
While, of the North Carolina Railroad it is		179,424.86
The total cost of maintenance of equipment of the Seaboard and Roanoke Railroad is		60,836.77
While of the North Carolina Railroad it is		199,973.15
The cost of fuel for locomotives of the Seaboard and Roanoke is		38,743.52
Of the North Carolina Railroad it is		113,598.70
The total rolling-stock on the Seaboard and Roanoke Railroad, for North Carolina, is valued at		42,075.85
This is one-fourth of the whole. The whole would be		168,303.40
The Seaboard and Roanoke Railroad Company does a business equal to 56.4 per cent of the business of the North Carolina Railroad Company, and yet the Seaboard and Roanoke Railroad Company own rolling-stock of the value of		168,303.32
While the North Carolina Railroad Company own rolling-stock to the value of		114,708.00
The car mileage balance against the Seaboard and Roanoke Railroad is		7,436.60
The car mileage balance against the North Carolina Railroad Company is		140,164.62
Hire of equipment—balance is		36,694.72
Total		177,059.33

The charges against the Seaboard and Roanoke Railroad Company for maintenance and equipment for the year ending June 30, 1897, were:

For repairs of locomotives,	16,403.95
For repairs of passenger cars,	9,101.14
For repairs of freight cars,	14,875.61
Total for maintenance of equipment,	30,378.67
While the charges against the North Carolina Railroad Company for maintenance of equipment were:	
For repairs of locomotives,	71,644.94
For repairs of passenger cars,	32,761.44
For repairs of freight cars,	79,145.33
Total,	183,551.70

In the light of this comparison it is confidently asserted that the North Carolina Railroad Company is not economically managed, but that in its operation it is arbitrarily or carelessly charged with many thousands of dollars, which improperly reduce its immense income. It is maintained that the charges are unfair, and that the general average expense ratio of 72.15 per cent is unreliable, and can not be used as a basis for any calculations.

The learned counsel proposes to increase this ratio of expenses to 80.69, ac-

cording to Mr Spencer, the President, or to 82.15, according to Mr. Hill, the Secretary of the company, as representing the ratio of local expenses to local receipts, when it is well known that it is upon the local business of a railroad that the largest profits are made. The local freight charges are on an average twice as great as the through freight charges. This is more than sufficient to counterbalance the supposed additional expenses attending the local traffic. The learned counsel makes no reference to this important matter.

3. THE FIGURES OF THE ANSWER EXAMINED.

The answer states that the total intrastate earnings for the year ending June 30, 1897, were \$510,066.19. There is no proof of these figures. Mr. Hill, who was a witness for the railway company, in the nature of things, could have no knowledge of them except by hearsay. He did not pretend to have any. If the company could have proved their correctness by any one, they might have done so by the Auditor of the company, who was present at the examination, but who, for some reason, was not upon the stand.

The operating expenses, as set forth on page 21 of the answer, are incorrect.

There is no possible way to apportion the expenses to the through and local traffic, as all the witnesses admit, and it is done by "approximation," which is, more or less, guess work. When this is done by interested parties for a purpose, it is more or less unreliable.

It has been shown that the methods of calculation used by the railroad company in reaching these figures, are unfair and incorrect. The ratio of expenses to receipts from intrastate business, adopted by the company in its calculations, has been shown to be unreasonable and unjust.

The answer says that 80.89 per cent of \$510,066.19 is \$412,642.86, the total of operating expenses. But by no mathematical process can the figures, which, in the answer, by addition, make up the \$412,642.86, be arrived at.

It is unfair to add the pretended increased percentage of cost of intrastate over interstate transportation, to many of the items which are embraced in operating expenses, as stated on page 21 of the answer. While the actual train and station expenses may be greater in proportion for intrastate than for interstate business, it does not cost any more in proportion, to "maintain ways and structures," or to "maintain equipment." Why should the general expenses be any greater in proportion? Why should superintendence cost any more? Fuel for locomotives? Car mileage balance? Hire of equipment? All of these should be prorated, without the increased percentage of costs, and they constitute the bulk of expenses.

In the company's calculation, all of these items are loaded down with the expense percentage of $8\frac{1}{4}$ per cent, or as Mr. Hill would have it, of 10 per cent.

The learned counsel thus arrives at

\$97,428.30

As the surplus of earnings over operating expenses, and from this

7,949.90

89,478.43

He then says that the loss caused by the proposed reduction of pas-

74,497.00

14,976.43

And he shows a balance of only

But this is absolutely misleading.

According to a calculation, which will hereafter appear, the volume of intrastate business is 30.7 per cent of the whole. The whole expenses for the year ending 1897, taken from the company's printed report for that year, were as follows:

Maintenance of way and structures,	-	-	-	-	\$179,424.86
Maintenance of equipment,	-	-	-	-	199,973.15
Conducting transportation,	-	-	-	-	689,972.57
General expenses,	-	-	-	-	61,907.14
					<hr/>
Total,	-	-	-	-	1,131,277.72
30.7 per cent of which is	-	-	-	-	347,302.26

If the 1897 reports are true, this is the correct expense of intrastate business. No additional percentage should be added; because, as alleged in the complaint, it is more than offset by the larger charges on local business, which are not prorated with other railroads but which are retained by the North Carolina Railroad.

Subtract from the alleged gross intrastate earnings	-	-	-	\$510,066.19
The operating expenses, as thus ascertained,	-	-	-	347,302.26

And we have surplus earnings,	-	-	-	162,763.93
Take from this 30.7 per cent of taxes, \$24,820.16,	-	-	-	7,619.78

And you have intrastate receipts for the year ending June 30, 1897,	155,144.15
Subtract from this 25 per cent of \$297,989.20, which is pretended to be the gross intrastate passenger receipts, but which it is claimed, do not amount to so large a sum,	74,497.00

And we have	80,647.15
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(a) If the railroad is valued at \$3,117,233, at which it has been assessed for taxation, the amount which is to be deemed appropriated to intrastate traffic is 30.7 per cent of \$3,117,233, because the volume of intrastate business is 30.7 per cent of the whole business. This is \$961,902.63. A profit of \$80,647.15 is 8.38 per cent on \$961,902.63.

(b) If the railroad is valued at \$4,000,000, the amount which is to be deemed appropriated to intrastate traffic is 30.7 per cent of \$4,000,000, because the value of intrastate business is 30.7 per cent of the whole business. This is \$1,228,000. A profit of \$80,647.15 is 6.57 per cent on \$1,228,000.

(c) Suppose we adopt the cost of reproduction as the basis of value. The actual cost of the road is reported, in printed report of 1897, to be \$4,975,627.53. Supposing the cost of right-of-way and terminal facilities was \$975,627.53. Deducted, this would leave \$4,000,000 as the total cost, excepting right of way and terminal facilities. Mr. Hill testified that the road could be reproduced at from 25 to 30 per cent less than the original cost, except as to right of way and terminal facilities.

Deduct from	\$4,000,000.00
30 per cent,	1,200,000.00
	<hr/> 2,800,000.00
Add original cost of right-of-way and terminal facilities	975,627.53
	<hr/> 3,775,627.53
30.7 per cent of this amount deemed appropriated to intrastate business, is	1,159,117.65
A profit of \$80,647.15 is 7.66 per cent of	<hr/> 1,159,117.65

The fault of the calculations of the learned counsel is:

1. His first factor, the gross intrastate earnings, is erroneous. There is no proof of its correctness.

2. His second factor, the supposed ratio of expenses to earnings in intrastate business, is erroneous from every point of view, as heretofore set forth.

3. His third factor is the only one which approximates the truth. He made the percentage of taxes chargeable to intrastate business, \$7,949.90, when it should be \$7,446.04.

Mr. Douglass was right in criticising the statement contained in pages 17 and 20 of Mr. Spencer's statement of February 26, 1898. This statement is delusive. It does not pretend to give the local rates, but the "average rate per mile charged for passenger service." (See p. 17.) In fact, the list does not in a single instance set forth the correct average rate. The average rate in North Carolina is 2.18 instead of $3\frac{1}{4}$ and $2\frac{3}{4}$; and the average rate in Ohio is $1\frac{1}{2}$ instead of 3. None of the figures in this statement are accurate. The average rate for the whole United States is, as Mr. Douglass stated, 2.1 cents per mile.

THE STATE'S FIGURES.

The calculations on the part of the State are based, not upon unsworn estimates, but upon the reports of the Southern Railway Company, made on oath to this Commission. We prove our case by the admissions of the railroad company.

Our inquiry is to ascertain:

1. The total net profits upon intrastate business.
2. The amount of the reduction caused by the proposed rate.
3. The net profits from intrastate business, after making the proposed reduction.
4. The valuation of the property of the North Carolina Railroad Company, upon which to compute percentage of profits.
5. The proportion of the said valuation which is to be considered as appropriated to intrastate business.
6. The percentage of the net receipts from intrastate business, after deducting the said reduction, upon that portion of the total valuation of the property of the North Carolina Railroad Company which is considered as appropriated to intrastate business.

The gross earnings for the year ending June 30, 1897, were	\$1,592,217.93
Expenditures,	\$1,148,772.59
Taxes,	24,820.16—1,173,592.75
	<hr/>
Net balance of earnings from operation,	418,625.18
Which is 13.4 per cent on the assessed valuation of the whole property.	

1. WHAT ARE THE TOTAL NET PROFITS ON INTRASTATE BUSINESS?

The report of the North Carolina Railroad Company for the year ending June 30, 1897, shows the total receipts for the year to have been \$1,592,217.93. The report of the Southern Railway Company, filed June 1, 1898, shows the total receipts of intrastate passenger and freight business for the first three months of the year 1897, to have been \$122,366.48. As several of the witnesses testified that the first three months in the year are over the average in respect of the volume of business and the amount of receipts, it may be assumed that this sum is fully one-fourth of the annual income from intrastate business; that is to say, \$487,465.62. This amount is a little over 30.7 per cent of the receipts from the entire business. The profits from the entire business, as gathered from the report of 1897, and as stated above, amount to \$418,625.18.

As the total gross receipts from all sources is to the gross receipts from intrastate business, so is the total net receipts from all sources to the net receipts from intrastate business. That is to say, as \$1,592,217.93 is to \$487,465.62, so is \$418,625.18 to \$128,517.93. In other words, 30.7 per cent of the total net receipts from all sources constitute the net receipts from intrastate business. This is \$128,517.93.

A good deal has been said about the cost of transacting intrastate business being over the average cost of transacting business generally, and estimates have been made by the Southern Railway Company upon a basis of such excess of cost of $8\frac{3}{4}$ and 10 per cent. But the railway company's witnesses admitted on the stand, that the rates of freights and fares on intrastate business were greater than the rates on interstate business. And this may very well be so, when the freight tariff for local business is twice as high as for foreign business. Undoubtedly the increased ratio of intrastate expenses to earnings is more than counter-balanced by the larger percentage of rates on local business. This view of the case is entirely ignored by the learned counsel for the Southern Railway Company.

2. WHAT IS THE AMOUNT OF THE REDUCTION CAUSED BY THE PROPOSED RATES?

To ascertain this we must find what is the amount of the gross receipts from intrastate passenger business. The report of the Southern Railway Company, filed June 1, 1898, shows the gross earnings from local passenger business for the first quarter of 1897 to have been \$65,288.71. Four times this amount will give the gross local passenger receipts for the entire year; that is, \$261,154.84. Twenty-five per cent of this amount is \$65,288.71, which is the amount of the reduction caused by the proposed rate.

3. WHAT ARE THE NET PROFITS FROM INTRASTATE BUSINESS, AFTER MAKING THE REDUCTION PROPOSED?

The total net profit from local passenger and freight business, for the year ending June 30, 1897, was as above stated,	\$128,517.93
The reduction caused by the proposed rate is, as above stated,	65,288.71

Which, subtracted from the former, leaves as the net local earnings from intrastate passenger and freight business, after the reduction,

63,229.22

4. WHAT IS THE VALUATION OF THE PROPERTY OF THE NORTH CAROLINA RAILROAD COMPANY, UPON WHICH TO COMPUTE PERCENTAGE OF PROFITS?

The value of the capital stock is not a just or reliable criterion, because the value of the stock may be based upon an income derived from freight and passenger charges, which, by reason of their excessive character, ought to be reduced. And this is precisely what we are claiming. If the local fares or freights should be reduced so that the net profits of the company would not exceed 6 per cent the amount admitted by the learned counsel to be amply sufficient, or 5 per cent, the amount claimed by the complainants as being a fair percentage of profit, the market value of the capital stock would be considerably depreciated. We are arguing this case, as if no lease had been made, because the North Carolina Railroad Company can not prevent the Railroad Commission or the Legislature from regulating its freights and fares by making a lease.

The valuation of the property of the North Carolina Railroad Company is arrived at in two ways:

(a) The tax valuation may be taken as the basis of value.

(b) Or the cost of reproduction may be accepted.

(c) The tax valuation is \$3,117,333.

It has been strenuously argued by the learned counsel that the tax valuation is no indication of the real value, and he quotes an extract from the opinion of Judge Clark, in the case of Railroad and Telephone Companies against the Board of Equalization, 85 Fed. Rep., 302. This was a case which originated in the State of Tennessee. It was contended on the part of the complainants, the railroad companies, that the laws of Tennessee did not require the property to be assessed for taxation at its actual value. Judge Clark, a District Judge, held with the complainants, and the defendant, the Board of Equalization, appealed to the United States Circuit Court of Appeals. The case is now pending in that court, undecided. Under these conditions, the case is not entitled to any great weight in North Carolina, especially as the Constitution of North Carolina expressly directs, article 5, section 3, that "Laws shall be passed taxing by uniform rule, all moneys, credits, investments in bonds, stocks, joint stock companies, or otherwise; and also all real and personal property, according to its true value in money."

And the tax assessment law of North Carolina provides, Public Laws 1897, chapter 169, section 2, that "the list takers and assessors shall ascertain the true value in money, of every tract or parcel of land or other real estate, with the improvements thereon, and personal property, and assess the same in accordance with said valuation."

It is thus clearly indicated that the Legislature of North Carolina intended the tax assessors to value property at its true, actual and full value. If this were not so, by what uniform rule can the assessors in the different counties in the State, all acting separately from and independently of each other, value the property at a certain percentage of its true value, unless this percentage has been fixed in advance by the law-making power?

(b) The actual cost of construction, equipment, etc., of the North Carolina Railroad to June 30, 1897, was \$4,975,627.53. Mr. Hill, the Southern Railway Company's witness, testified that the road could be reproduced 25 or 30 per cent less than original cost, except the right-of-way and terminal facilities, \$975,-

627.53. Assuming, as a liberal estimate, that the right-of-way and terminal facilities cost \$975,627.53, let us deduct this amount from the total cost, and we have the remainder, \$4,000,000, representing the original cost of the railroad, excepting the right-of-way and terminal facilities. Seventy per cent of the remainder, which is

\$2,800,000.00

will represent the cost of reproduction at 30 per cent less than the original cost of construction and equipment, not including right-of-way and terminals. Add to this, for cost of right-of-way and terminals,

975,672.53

And we have, as cost of reproduction,

3,775,627.53

5. WHAT IS THE PROPORTION OF THE SAID VALUATION WHICH IS TO BE CONSIDERED APPROPRIATED TO INTRASTATE BUSINESS?

The portion of the total value of the company's property to be thus appropriated is the proportion which the gross receipts from intrastate business bear to the gross receipts from all sources. It is already ascertained that the receipts from intrastate business are 30.7 per cent of the entire receipts. So the amount to be apportioned for the purposes of this calculation to intrastate business, is 30.7 per cent of whatever sum shall be ascertained to be the entire value of the property.

(a) If the tax value is taken as the true basis, the proportion will be 30.7 per cent of \$3,117,233, or \$956,990.53.

(b) If the cost of reproduction be taken as the true basis of value, then the proportion will be 30.7 per cent of \$3,775,627.53, which is \$1,159,117.65.

PERCENTAGE OF NET PROFITS.

What is the percentage of the net profits from intrastate business, after deducting the reduction caused by State business, is 30.7 per cent of what the proposed rate, upon that portion of the total value of the railroad company's property, which is considered as apportioned to intrastate business?

(a) If the tax valuation shall be accepted as the proper basis, then

the percentage of such net receipts will be \$63,229.22

956,995.53

or 6.66 per cent., as the profit.

(b) If the cost of reproduction be taken as a proper basis, the percentage will be

63,229.22

1,159,016.65

or 5.45 per cent, as the net profit.

In view of the increase of 7 per cent in the results of the first quarter of 1898, over the first quarter of 1897, as reported by the Southern Railway Company, on June 1, 1898, it is conceived that this percentage, 5.45, will be increased to nearly, if not quite, 6 per cent for the current year of 1898. This percentage will, without doubt, be further materially increased by the larger volume of business, which will necessarily follow the reduction of rates, a result which has been experienced everywhere. The percentage of profit will be still further increased by the abolishment of the free-pass system, the result of recent decis-

ions of the Supreme Court, and by the steady growth of the company's business. Its gross receipts from operations for the last five years have been as follows:

In 1893-94,	\$1,092,813.50
In 1894-95,	1,225,593.66
In 1895-96,	1,430,123.50
In 1896-97,	1,592,217.93

In 1897-98 (estimated), a 7 per cent increase for the first three months of 1898 having been reported by the company, 1,700,000.00

In view of the low rate of interest upon money, indicated by the low value of securities, as set forth in the complaint, and not denied in the answer, the Southern Railway Company can not complain, if, after the reduction is made, it shall be permitted to receive over 5 per cent of the valuation of its property.

The North Carolina Railroad Company can well afford to stand the slight reduction in its passenger rates, which is proposed.

Lands, farm products, and other commodities in the State, have greatly depreciated in value by reason of the appreciation of money. Why should not the price of transportation fall in the same proportion? A dollar will purchase one and a half times as much as it would ten years ago. Why should it not buy one and a quarter times as much of transportation?

The average passenger fare per mile is 2.10 cents in the United States. It is only 1.17 cents in Germany; 1.67 in Austria; 1.18 in Belgium; 1.29 in Denmark; 1.45 in France; 1.64 in Italy, and 1.45 in sparsely settled Russia.

According to its last report the North Carolina Railroad Company's earnings per train mile in 1897 were 1.25 while those of the Raleigh and Gaston were .94 of the Wilmington and Weldon Railway, 91.91 and of the Seaboard and Roanoke Railroad, .72

It is argued by the learned counsel that the Nebraska case has tied the hands of the Railroad Commission in the matter of regulation of fares and freights. If the Commission shall hold that it has been shorn of this most salutary power, and that the rates of the railroad must stand, the Governor can not appeal from this decision; but if the Commission shall direct the passenger rates to be reduced, as prayed, the great questions of law and fact involved will then come before the courts, where they can be more satisfactorily tried. No harm can be done by this course. The railroad company will at once appeal to the State Court, or obtain an injunction from the Federal Court, and cause a suspension of the new rates until they shall have received judicial sanction. If the court shall finally decide in favor of the railroad, it will have suffered no other inconvenience than the giving of a moderate bond.

The questions are of sufficient public importance to justify the Railroad Commission in thus enabling the courts to take them in hand. They can not be satisfactorily solved in any other manner.

After argument of counsel and consideration the Commission is of the opinion that the petition should not be granted, and it is ordered that case be dismissed.

In explanation of his vote in the above case, Chairman Caldwell says:

IN RE REDUCTION PASSENGER RATES ON NORTH CAROLINA ROAD.

This proceeding, instituted by his Excellency, the Governor, is worthy of consideration, and has received careful attention. It is not necessary in this case to pass upon the interesting question, whether one part of a system can be detached from the whole system and dealt with separately because it may appear at blush to be earning more than legally entitled to earn, while the same system may have other parts which are operated at a loss and which may well be claimed, should enjoy the protecting care of its parent branch. When we prune off the branches does the trunk appear hideous in its oppression?

The reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property wholly within its limits must be determined without reference to the interstate business done by the carrier.

Whether we approve of this declaration of the law or not, it is the law, and it is the boast of our citizenship that we live in obedience thereto.

I find that the intrastate or domestic earnings of the North Carolina Road, including passenger, freight, mail, express and miscellaneous earnings, amount to, - - - - - \$510,066.19

I find that the respondent expended for maintenance of way, equipment, conducting transportation and general expenses, - - - - - 412,642.86

Surplus of earnings over operating expenses. - - - - - 97,423.33

I can conceive of no possible way to have net profits until all expenses are paid. The intrastate or domestic business should be charged with whatever proportion of the expenses that the per cent of intrastate or domestic business bears to the whole and this I find to be 30.7 per cent. The total taxes paid by the North Carolina Road for 1897 amounted to \$24,820.18—30.7 per cent of which is admitted by the complainant to be a just credit in favor of the respondent, to be deducted from the surplus of earnings above, viz: - - - \$97,423.33
30.7 per cent of \$24,820.18 is - - - - - 7,619.78

Surplus after deducting taxes, - - - - - 89,803.55

The State has leased or rented to the Southern Railway the North Carolina Road, receiving therefor \$266,000 per year. The decisive point in this case is, Shall the intrastate or domestic business bear its proportion of this rental? It is a fixed charge, and the same proportion that the intrastate bears to the whole should be deducted in this, as in taxes.

30.7 per cent of \$266,000 is - - - - - 84,322.00

Leaving a net surplus of - - - - - \$5,481.55

The proposed reduction is 25 per cent of \$261,154.84, the gross intrastate or domestic passenger business, which reduction, if made, would amount to - - - - - 65,288.71

Leaving a deficit of - - - - - 59,807.16

STATE'S CONTENTION.

Net earnings,	\$418,625.18
From which nothing is to be taken as rental, leaving 13.4 per cent on the assessed value of the whole property. In this I can not concur, for the reason that I am of opinion that the deduction of the rental should be taken into consideration, and which, if done, will leave	152,625.18
30.7 per cent of which to be appropriated to intrastate or domestic business, viz:	46,853.93
Which sum is .047 per cent on \$956,990.03, the assessed value appropriated to intrastate or domestic business, and .044 per cent on \$1,159,117.65, cost of reproduction of the road intrastate.	

This being the case, I am of opinion that the petition should be dismissed and the prayer for relief refused.

Commissioner Pearson, voting in the affirmative, in explanation of his vote, says:

"In the matter of reduction of passenger fares on the North Carolina Railroad and the Wilmington and Weldon Railroad, as contained in the petition of the Governor of North Carolina, from $3\frac{1}{4}$ cents, first-class, to $2\frac{1}{2}$ cents, and from $2\frac{3}{4}$ cents, second-class, to 2 cents, I have given these cases a most careful and painstaking investigation, both at the last hearing and when the matter was before the Commission last January, and I find no reason for reversing my former action then, relying as I do on the reports made to the Railroad Commission by the companies, and other evidence, as a basis for my conclusion, and accepting the decision of the United States Supreme Court in the Nebraska case as defining our powers to regulate intrastate business.

"I am of the opinion that there is comparatively no difference in the condition of these two railroads mentioned in the petition of the people, speaking through the Executive, their net earnings being about the same percentage upon their respective properties. Much stress is placed on the amount of reduction asked for as being ruinous to the roads, and amounting to a confiscation of their property. This is the substance of the answers. I certainly do not desire to be a party to the making of an order which would bring about such a state of affairs in North Carolina, and unless woefully ignorant, the evidence of the railroads will exonerate me from such a charge. A change from $3\frac{1}{4}$ cents to $2\frac{1}{2}$ cents, first-class fare, and from $2\frac{3}{4}$ cents to 2 cents, second-class, is an average reduction of 25 per cent on a certain portion of the passenger business, but the average receipts per passenger per mile on the roads mentioned is about the average of two and a quarter cents. We are informed by the railroad officials that this is owing to the low rates afforded summer excursionists, fairs, religious and political conventions, a large sale of mileage books, and concessions made to various charitable institutions. It is, therefore, fair to assume that about one-third of the passenger revenue is derived from this class, which in no wise will be affected by the proposed reduction; hence, of the amount deducted by the railroad companies as a loss to them, one-third can safely be said to be erroneous. No consideration is given to the certain increase of the travel which, in passenger business, invariably results from a low rate.

"The defendants are not justified in their estimate of their passenger receipts for the ensuing year. A different condition of affairs will exist if there be a strict compliance with the laws of North Carolina, as recently set forth by this Commission, regarding free passes. There is no doubt but that the slight reduction which is proposed will be more than made up to them from this saving alone.

"I can not believe that the railroad officials seriously apprehend such disastrous results as were argued by the able counsel, but they fear, on the part of the companies, that similar cuts in other States will be made, after it is once shown that they can earn a reasonable profit and maintain such rates as the petition seeks to have this Commission order in North Carolina. The net earnings of the North Carolina Railroad Company, as reported for the year 1897, after deducting all taxes, is \$418,625.18. It is admitted by the counsel for this Company that the percentage of intrastate business is 32.03 of the total gross earnings. In other words, that interstate and intrastate earnings of the North Carolina Railroad Company for 1897 was \$1,592,217.93, and in their answer they state \$510,066.19 to be the gross intrastate or domestic business, as before mentioned, 32.03 per cent of the whole. This being so, why should not their net earnings be in the same proportion?

"The North Carolina Railroad is operated at a cost of 72.15 per cent of expenses to earnings; the Wilmington and Weldon Railroad at 58 per cent; the Raleigh and Gaston at 63 per cent, while the entire line of the Southern Railway System, which includes a number of unremunerative and expensive roads in North Carolina, is only 59.21 per cent.

"It would seem from this statement that the general rule that is applicable in all other business does not apply to the management of the North Carolina Railroad Company. That rule I have always understood to be, that the more business handled the less the proportionate cost of operation. The receipts from intrastate business can be correctly arrived at from the sale of tickets and way-bills as reported by their agents, but the cost of operation as charged to intra-traffic is, and can only be approximated. There is no freight or local passenger train on any railroad in this State which does not render a large part of its service in interstate business, hence to charge this entire cost of operation, as was stated by one of the witnesses, to intra-business, is manifestly unfair.

"The fact that the Southern Railway Company has leased the North Carolina Railroad at a certain rental has no bearing upon the case. The lessee company took the road with a full knowledge of the power of the Railroad Commission in a proper case to reduce the domestic passenger rates, and it could not tie the Commission's hands by leasing the property. Besides, it is plain to my mind that the North Carolina Railroad Company is earning a sufficient net income to enable the Southern Railway to pay the rental and still make a handsome income after the proposed reduction of rates shall have been made. The reduction of domestic passenger rates on the Wilmington and Weldon Railroad will not materially lessen the princely income of that corporation; its success has been phenomenal. A few years ago it divided among its stockholders over \$3,000,000 assets which it had accumulated from the profits of its operation, and it also distributed certificates of indebtedness of \$2,500,000, which also represented accumulated earnings, and upon it regularly pay a stipulated interest of 7 per cent. Its net income has gradually and steadily increased from \$175,000 in 1878 to \$900,000 in 1898; with the same ratio of increase it will earn \$1,000,000 net profit in 1899. The amount involved in the reduction of rates is not more than \$25,000 at the outside, and probably less. The increase of travel which will certainly follow lower rates will more than make up for the loss. It is folly to contend that this corporation can not survive the proposed reduction of its income."

DANIEL L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

vs.

THE RALEIGH AND GASTON RAILROAD COMPANY.

COMPLAINT FOR THE REDUCTION OF PASSENGER RATES.

To the Honorable Board of Railroad Commissioners of North Carolina:

Having been retained by the Governor of North Carolina to represent the people of this State of North Carolina in this behalf, we present this complaint, and respectfully ask that your Honorable Board will reduce the intrastate or domestic passenger rates on the Raleigh and Gaston Railroad to 2½ cents per mile for first-class, and 2 cents per mile for second-class passengers.

In view of the action of your Honorable Body, in refusing to make a general reduction of passenger rates operating on the three great railroad systems of the State, on account of the supposed meaning and application of the decision of the Supreme Court of the United States, in what is known as the Nebraska case, it is deemed advisable that test cases should be at once presented to the courts in order that it may be definitely determined to what extent your Honorable Board still has the right to regulate fares. It is suggested that the effect of the Nebraska decision has been misconceived, and that it does not prevent this Commission from reducing the passenger rates upon certain of the railroads in the State.

We are advised that the Nebraska decision does not interfere with the proposed action of this Commission. In this case, the Railroad Commissioners of Nebraska undertook to reduce the freight rates of certain railroads in that State so low that, instead of receiving a fair compensation for the services rendered by them, they would have operated said railroads at a positive loss.

The case settles several points:

1. A railroad corporation is a person within the meaning of the Fourteenth Amendment, declaring that no State shall deprive any person of property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

2. A State enactment, or regulations made under the authority of a State enactment, establishing rates for the transportation of persons or property by railroads, that will not admit of the carrier earning such compensation as, under all the circumstances, is just to it and to the public, would deprive such carrier of its property without due process of law, and deny to it the due protection of the laws, and would therefore be repugnant to the Fourteenth Amendment of the Constitution of the United States.

3. While rates for the transportation of persons and property within the limits of a State are primarily for its determination, the question whether they are so unreasonably low as to deprive the carrier of its property without such compensation as the Constitution secures, and therefore without due process of law, can not be so conclusively determined by the Legislature of the State, or by regulations adopted under its authority, that the matter may not become the subject of judicial inquiry.

4. That a reduction of local freight rates, so low as to prevent the company from receiving any compensation, is unconstitutional.

5. That the reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property, wholly within its limits, must be

determined without reference to the interstate business done by the carrier, or to the profits derived from it. And that the State can not reduce the profits from domestic business to nothing, because the company is making a fair return on its interstate traffic.

6. That a railroad corporation is not entitled to exact such charges for transportation as will enable it at all times to meet operating expenses, pay interest on its obligations, and declare a dividend to stockholders; but the rates must be fixed with reference to the fair value of the property used for the public, or the fair value of the service rendered.

There is one question which was not presented to or passed upon by the Supreme Court in this case. This question is still open, viz: What proportion of the value of the property of a railroad within a State shall be considered as entitled to earn a reasonable percentage of profit on domestic, and what proportion on interstate business?

While it is admitted that a railroad company, whose property is used in both domestic and interstate commerce, is entitled to earn, in respect to the whole of its business, a reasonable percentage of profit, must not that percentage of profit be apportioned so that a certain part of it shall be considered as derived from domestic and the balance from interstate business? Then the question arises, By what rule, or upon what basis shall this apportionment be made?

Suppose that one-third the volume of a railroad company's freight and passenger business is domestic, and two-thirds foreign or interstate; that 6 per cent upon the entire property of the company is a fair percentage of profit for it to receive for its entire operations, and that of this, 2 per cent is made from domestic and 4 per cent from foreign business. If the company is entitled to receive 6 per cent upon the value of its entire property, on account of domestic business, and 6 per cent on account of foreign business on the same value, it will receive 12 per cent in the aggregate, which is excessive. If it is receiving 12 per cent on the whole of its business, one-third of which is derived from domestic traffic, there is nothing in the Nebraska decision to prevent the State from reducing the fares or freights, or both, to such a rate as will enable the company to make but 2 per cent on the total value of its property out of its domestic business, or, what is equivalent thereto, 6 per cent on one-third of such total value. If the volume of domestic business is one fourth of the whole, then the company would be permitted to earn a profit on such business of 6 per cent on one-fourth of the total value of its property in North Carolina, or $1\frac{1}{2}$ per cent on the total value thereof. The railroads were built to be used in both domestic and interstate business, and it is but just that, with respect to each class of business, they shall be permitted to earn a fair profit upon the proportion of their investment which may be deemed appropriated to that class of business, the total profit being limited to a just per centum of the total investment. And such proportion of the investment of its capital or of the value of its property, is to be deemed appropriated to domestic business, as the volume of such business bears to the whole business of the company. To put it in another way: If a railroad company is earning a profit on all of its business of 12 per cent upon the total value of its property, one-third of which is derived from domestic and two-thirds from foreign business, and if 6 per cent is deemed a fair profit for the company to be permitted to make on all of its business, without question the Railroad Commissioners would have the power to reduce the domestic or local freights or fares, one or both, to such a limit as would permit

the company to receive but 2 per cent on the total value of the property, inasmuch as 2 per cent on the value of the property would, under the circumstances, be considered as a reasonable profit upon such business.

Differently construed, the Nebraska decision would absolutely destroy in every case that most salutary power of the Commission—the power to regulate the freights and fares of railroad companies, for the protection of the public. Construed in this manner, the decision does not prevent the Railroad Commissioners from reducing the fares on some of the railroads in the State.

Moreover, it will be observed that the Nebraska decision does not decide that a railroad must be permitted to make a certain percentage of profit out of every class of its domestic business, as, for example, a reasonable percentage of profit out of its domestic passenger business; a reasonable percentage of profit out of its domestic express business; a reasonable percentage of profit out of its mail service; and a reasonable percentage of profit out of its domestic freight business. It would be beyond the power of the Commission, or the court, to interfere with the internal management and adjustment of these several matters. They will simply hold, that from its domestic business of all kinds, in the aggregate, the company shall not be prevented from receiving a reasonable compensation for such service.

But whether these views upon the legal questions are correct or not, it is all-important to the people of North Carolina that the courts should have an opportunity to pass upon them. This can not be done until a case is presented. But no case can be presented until the Railroad Commission shall undertake, in one or more instances, to fix the fares or freights of a railroad company in the State. No irreparable damage will be done to the companies to be selected, because the rates will not go into effect until the courts shall have investigated and properly decided all questions involved.

What railroads should be selected for the test cases?

1. They should be situated entirely within the State.
2. They should be located in the most populous and productive counties of the State, enjoying the largest domestic or local travel.
3. They should be those having the largest income in proportion to their value.

The Raleigh and Gaston Railroad Company meets all of these requirements, and presents a favorable subject for one of the test cases.

According to its report of 1897, filed with the Railroad Commission,	
this company, with an assessed valuation for taxation of	\$1,562,153.32
Which the company claims was excessive, received gross earnings	
from operations for 1896-97, the sum of	602,304.23
Deduct operating expenses,	382,279.73
	<hr/>
	220,024.40
Deduct taxes,	13,626.62
	<hr/>

And we have remaining a net income or profit, from operating expenses, of 206,397.78

This is .1325 per cent on \$1,562,153.32, the assessed valuation of its property. It is .1376 per cent on \$1,500,000, the amount of its capital stock. It is .1298 per cent on \$1,589,307, the total cost of road equipment and permanent improve-

ment to June 30, 1897, as reported by the company. (See Railroad Commission Report for 1897, p. 168.)

In the absence of more satisfactory information, we will assume that this sum, \$206,397.78, net profit, was derived from passenger and other receipts, in the proportion which such receipts bear to each other. According to the company's reports, as appears in the Seventh Annual Report of Railroad Commission for 1897, at page 169:

The total passenger revenue was	\$118,375.73
The total of other earnings was	483,928.50
Making a grand total of	602,304.23
Observing this proportion, the profits for passenger service proper in North Carolina, including domestic and interstate, were	\$40,561.00
And the profits from other sources were	165,836.78
Total,	206,397.78

Mr. St. John, the able Vice-President of the Seaboard Air Line System, in his statement filed with the Commission, says that the earnings accruing on the passenger business, originating and terminating within the State of North Carolina, on railroads comprising the Seaboard Air Line System, were less than 30 per cent of the total for the year ending June 30, 1897.

The total of local and interstate passenger earnings were \$118,375.73, 30 per cent of which represents the earnings from domestic passenger service, \$35,512.71.

A reduction of fares from domestic passenger service from $3\frac{1}{4}$ to $2\frac{1}{2}$ cents first-class, and from $2\frac{3}{4}$ to 2 cents second-class, is an average reduction of about 23 per cent, as stated by Mr. St. John. And such reduction affects only the local or domestic passenger fares.

Twenty-three per cent of the domestic passenger receipts, to-wit,	\$35,512.71
Is	\$8,167.92
Which represents the amount of the proposed reduction of passenger rates.	
The income from operation, as reported by the company to the Railroad Commission, is	206,397.78
It is estimated that 40 per cent of this income is derived from domestic receipts, that is to say	\$82,559.11
From which subtract the reduction caused by the proposed change of passenger rates,	8,167.92

And we have, 74,391.19
As profit on the domestic passenger and freight business, after the reduction of domestic passenger fares has been made.

Now, if the property of the company be valued at the amount for which it was assessed for taxation, \$1,562,153.32, that portion of this sum which, for the purposes of this calculation is to be deemed as appropriated to domestic business is, according to the ratio between domestic and interstate receipts, 40 per cent of the whole, or \$624,861.20. The net profit from domestic passenger and freight business, after deducting the \$8,167.92, caused by the proposed reduction of passenger rates, is \$74,391.19, which is a profit of .103 per cent on

\$624,861.20, appropriated to domestic business. If the cost of the road and equipment, or the total capital stock, be taken as the value of the company's property, the result will not be materially varied.

When United States 4 per cent bonds are worth 120, North Carolina 4 per cent bonds are worth 102; City of Raleigh 5 per cent bonds, 107; Raleigh and Gaston 5 per cent bonds, 105; and N. Y. Central and Hudson River stock, which pays 4 per cent per annum, 109; and the stock of the North Carolina Railroad Company, which pays a dividend of $6\frac{1}{2}$ per cent, about 130; it would seem that a net profit of 5 per cent upon the value of a railroad company's property is a reasonable income for it to make, and that it can not complain of a reduction of its domestic passenger fares, which still permits more than such profit to be received.

It is claimed by the railroad companies that the expenses of domestic business are greater in proportion than the expenses incident to interstate business. The difference, as estimated by one of the most reliable witnesses, in the Nebraska case, is about 10 per cent. But suppose it is as much as 20 per cent. If the expenses incident to domestic and foreign business were in the same proportion to each other as the receipts from domestic and foreign business are to each other, then, according to the report of the Raleigh and Gaston Railroad Company, the expenses incident to domestic business (freight and passenger) for the year ending June 30, 1897, would be about 96,545. But if such expenses are to be increased by 20 per cent thereof, such percentage would be \$26,000. The local freights and fares in North Carolina are higher than the through freights and fares. It is supposed that the difference between the cost of domestic service and the cost of interstate service is somewhat offset by this difference in rates. But, if this be not so, there is still a liberal margin left between the .103 per cent profit, which the company will receive on its domestic freight and passenger business, in spite of the reduction of passenger fares, and a reasonable profit of 5 per cent to cover this difference in cost, such margin being .0503 per cent of \$624,866.20, or \$31,430.76.

Besides, it must not be forgotten that the practical abolition of the free-pass system in North Carolina will, necessarily, add thousands of dollars to the revenue of the railroad. This and the income earned by the increase of travel, following the reduction of rates, will more than make up for the loss occasioned by such reduction.

It is submitted that the reports which have been filed by the Raleigh and Gaston Railroad Company with the Railroad Commission furnish data which fully justify the proposed reduction of passenger rates.

Respectfully submitted,

JOHN W. HINSDALE,

CHARLES A. COOK,

W. C. DOUGLASS,

Attorneys for the State of North Carolina.

April 20, 1898.

Mr. E. St. John, Vice-President and General Manager, Portsmouth, Va.:

Dear Sir: I am directed by the Board of Railroad Commissioners to furnish you with copy of complaint by D. L. Russell, Governor of North Carolina, against the Raleigh and Gaston Railroad, asking that the rate of charges for the transportation of passengers over the Raleigh and Gaston Railroad be reduced; copy of complaint and petition herewith.

I am further directed to serve notice on you to show cause before the Board of Railroad Commissioners at Raleigh, N. C., on the 16th day of May next, why the prayer of the petitioner should not be granted.

You will take due notice thereof.

Very respectfully,

[Seal of Commission.]

H. C. BROWN.

April 22, 1898.

ANSWER.

Mr. Chairman and Gentlemen :

I desire first of all, to thank this Honorable Board for granting the request for a second hearing in the matter of a proposed reduction in passenger rates upon certain railroads forming a part of the system known as the "Seaboard Air Line," in North Carolina, as well as upon other railways located within your State.

In view of the presentation made on January 27, I shall to-day confine myself to a few additional statements, compiled with a view of determining, in part at least, the probable results which must inevitably follow compliance with your circular letter of February 21, ordering a reduction in passenger rates on and after March 23, 1898, from $3\frac{1}{4}$ cents per mile, first-class, and $2\frac{3}{4}$ cents per mile, second-class, to $2\frac{1}{2}$ and 2 cents, respectively, over the territory named.

In my former paper it was shown that the railroads comprising that portion of our system in North Carolina, earned for the year ending June 30, 1897, a less rate per mile per passenger, with one single exception, than was reported by the Interstate Commerce Commission in their last annual report, as the rate per mile per passenger earned by all railroads in the United States; and, among other things, I stated what must be conceded to be a fact: That rates ordered by legislative enactment or by a Railroad Commission are not always obtainable; that the long line must meet the rates of the short line, if it is to secure that portion of business to which it is entitled, etc., etc. This, in connection with rates made for excursions, charity, and objects deserving of consideration, as well as concessions provided for by legislative enactment, must and does materially reduce the average rate per mile per passenger below that named by the Commission, and an investigation into the rates ordered, demonstrates that as between the old rates and those proposed, a reduction of 23 per cent would occur in passenger receipts within the territory named upon local business alone. Upon business from other States, and passing through North Carolina, the reduction ordered would amount to nearly 12 per cent on first-class and 16 per cent on second-class, a reduction which could not be considered, if only present conditions are to be maintained, to say nothing of improvements so badly needed in almost every direction.

The earnings accruing on passenger business originating and terminating within the State of North Carolina, on railroads comprising the Seaboard Air Line, was less than 26 per cent of the total, for the year ending June 30, 1896, and less than 30 per cent of the total for the year ending June 30, 1897, demonstrating, does it not? that the hardship following such a reduction as that proposed can but fall most heavily upon the railroads, while the benefit to be derived therefrom by the good people of your State, when divided among those who would be its recipients, could but be infinitesimally small; so small as to be undesirable, when its true meaning is understood. So far as it concerns interstate travel, it is presumed you

would readily assent to the proposition that the greatest interest of the people of your State is in the success of her railroads, which are making every effort to bring to them added prosperity.

It has been stated, and I think truly, that a passenger train failing to earn one dollar per mile gross revenue, fails to pay its expenses; and speaking upon this subject, the President of the Lake Shore and Michigan Southern and New York, Chicago and St. Louis Railways, recently stated that the great bulk of the passenger trains operating over his lines in Ohio were earning less than 50 cents per mile; that, in fact, many of them did not anything like make expenses, and he cites one of his trains, which earned only \$3.81 upon its entire trip, which was less than the wages of its locomotive engineer. The earnings of many other trains are given, and he unhesitatingly states that all are unprofitable, but that it is necessary to have a fairly good train service in order that people may be induced to locate their factories and other industries along the road. We have many, very many, such experiences in North Carolina. In Ohio, which had, at the last census, 90 persons to the square mile, as against less than 33 in North Carolina, every legislature which has assembled since 1886, it is said, has introduced bills to reduce passenger rates to two cents per mile, but such rates have not yet been legalized, and the chances are that they will not be effective for sometime to come, the people not demanding them. The passenger train earnings of all roads comprising the Seaboard Air Line were very much less than one dollar per mile; in fact, to state positively, it is a matter of record that but one road in the system, for the year ending June 30, 1896, earned as much as 81.7 cents per mile, while the passenger train earnings of one road for that year were only 30.4 cents per mile. For the year ending June 30, 1897, the highest earnings per train mile from passengers was 79.3 cents, and the lowest 26.5 cents; and were it not for the very reasons mentioned by President Callaway, many of the trains operated would have to be abandoned for want of sufficient revenue to meet the total requirements. In a territory so sparsely settled as is North Carolina at the present time, rates such as have been announced would prove fatal to every railroad interest, and in view of a recent decision from the highest court in the land that railroads are entitled to receive compensation sufficient to meet operating expenses, interest upon bonds and a reasonable dividend upon its stock, is it not right that constant contentions for reductions should, for a time at least, cease until the railroads traversing your State have arrived at the conditions above referred to? The people unquestionably desire only that which is equitable and right, and we hear of no urgent demands upon their part for a greater reduction in passenger rates.

Statistics show that there are in the United States, approximately, 800,000 employees of railroads, and to be found among this number are:

- 100,000 station men.
- 35,000 locomotive engineers.
- 40,000 firemen and helpers.
- 25,000 conductors and dispatchers.
- 65,000 trainmen.
- 30,000 machinists.
- 100,000 shopmen, other than machinists.
- 20,000 telegraph operators and their helpers.
- 45,000 switchmen, flagmen and watchmen.
- 175,000 trackmen.

And is it not reasonably safe to suppose that this vast army represents, in those

dependent upon each for support, at least three others, making the total number who have to look to the railroads of this country for a living 3,200,000 persons; and is the other fact comprehended, that the railways of the United States expend each year, not counting the interest paid upon its bonds, or the dividends paid upon its preferred and common stock, more than \$100,000,000 in excess of the total expenditures of the United States Government? Indeed, the railroads are the great disbursing agencies of the country.

Let us deal fairly with this great interest, and see to it that it is not only permitted to exist, but to earn from just and reasonable rates sufficient to meet not only its operating expenses and taxes, but to have something over to meet its physical necessities and to pay that debt which it justly owes to its bond and stockholders, viz. the interest upon its bonds, coupled with a reasonable dividend upon its stock. And right here let me say, that the railroads comprising this line have no bonds or stock which does not represent actual cash expenditures.

Implicitly relying upon the justice of our cause, and with the firm conviction that you will listen thereto and decide rightly in connection therewith, I close, with highest appreciation for your kind attention.

E. ST. JOHN,
Vice-President and General Manager.

DANIEL L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

vs.

THE RALEIGH AND GASTON RAILROAD COMPANY.

To the Honorable Board of Railroad Commissioners of North Carolina :

The respondent, further answering the complaint filed by His Excellency the Governor of North Carolina, in his application for the reduction of passenger rates upon respondent's railroad, and expressly referring to and reiterating the replies heretofore filed by Mr. E. St. John, Vice-President and General Manager Seaboard Air Line, in the former investigations of the same question, and which have already been admitted as answers in this proceeding, respectfully suggests: That the questions of law presented by the complaint, in its discussion of the scope and effect of the decision of the Supreme Court of the United States in what is known as the Nebraska case, in relation to the powers of this Commission and its duties in the fixing of rates for the government of railroad companies, need no specific and extended answer from the respondent at this stage of the proceedings.

Your respondent further suggests that this Commission is provided, in section 5 of the act known as the "Railroad Commission Act," with specific directions as to the matters to be considered by it in the "making of reasonable and just rates of freight and passenger tariff," to-wit: "The actual value of the employed capital of the corporation, the earnings of the railroad and the cost of operating the same, the competition of rival lines of water and railroad transportation companies within the State, and any and all other matters proper to be considered by them."

This respondent further says, that the subject brought forward in the present complaint has been repeatedly considered by this Board, after the most painstaking investigation, with the uniform conclusion that the present rates of passenger trans-

portation, as applying to the whole system of railroads, operated under one management, are reasonable and just and ought not to be disturbed. Indeed, the last decision of this Commission is so recent, that it is impossible that any material change in the profits or losses incident to the business of transportation can have taken place since it was solemnly made, and this respondent invokes the principle of *stare decisis* until it be made to appear that such change has taken place.

Respondent deprecates the making of test cases to elicit the opinions of higher courts on questions which may arise hereafter, it being well settled that no court will propose such questions for decision until the same become practical, and then not for the purpose of eliciting opinions of other courts, but by exercise of the judgment of the court upon which the responsibility is placed.

This respondent respectfully represents that the only question which is now before the Commission is, whether its former and repeated adjudications upon the matter of passenger rates shall stand, or has such showing been made by the complaint as impels the Commission to change them?

In reply to the suggestion that your respondent presents a favorable subject for one of the proposed test cases, it is respectfully submitted: That the complaint leaves out of view much that is important to be considered in arriving at a solution of the question whether the rates now existing are too high:

1. That the respondent is one of a system of railroads, established not merely for the benefit of its shareholders, but for the public comfort and convenience.

2. That the burden is upon respondent of bearing the expenses out of its earnings of those enterprises which, without question, fail to make a return to their stockholders while affording great facilities to the public.

3. That the interest upon the bonded debt of respondent, every dollar of which, incurred in the building and improving of its road and equipment, is an element which ought to be taken into careful consideration in arriving at the value of its property and its capacity to bear a further reduction in its charges.

Respondent begs herewith to present a tabulated statement, showing its true condition and the reason why it has been unable to declare dividends, by which it will clearly appear that the assumption that it is now earning net profits to so large an amount as to require a reduction of its passenger rates for the benefit of the public is fallacious and misleading:

STATEMENT OF RECEIPTS AND DISBURSEMENTS OF RALEIGH AND GASTON RAILROAD COMPANY FOR THE FISCAL YEAR 1896-97.

Gross earning from operation.....		\$602,304.23
Deduct operating expenses.....	\$382,279.83	
Deduct taxes.....	13,626.62	
Deduct interest, 5 per cent, on \$1,200,000 First Mortgage Bonds.....	60,000.00	
Deduct interest paid on other obligations.....	6,402.56	
Deduct one-half loss (Raleigh and Gaston's proportion) operating G., C. and N. Railway.....	119,843.79	
		<hr/> 582,152.80
Net income.....		<hr/> 20,151.43
Which is .0134 per cent of the capital stock of \$1,500,000.		

The above shows the result of the operation of the Raleigh and Gaston Railroad for the past year. It includes interstate and intrastate business. Mr. St. John, in

his answer based upon official data, estimates that the intrastate business will not amount to 30 per cent of the entire business. Calculated upon this basis, we have the following :

Total income from operation of Raleigh and Gaston Railroad for year named, after deducting operating expenses, was		\$220,024.40
Thirty per cent of this gives		66,007.32
Deduct from this, taxes	\$13,626.62	
Deduct 30 per cent interest paid (\$60,000)	18,000.00	
Deduct 30 per cent interest paid on other obligations (\$6,402.56)	1,920.77	
Deduct 30 per cent of one-half loss operating G., C. and N. Railway	35,952.90	
	69,500.29	66,007.32
Showing net loss of		3,492.97

Reducing the value of the investment, not in accordance with its actual cost, but of its capital stock of \$1,500,000, we have 30 per cent, or \$450,000, upon which the company is fairly entitled to pay a dividend. No dividend can be paid as the company has sustained a loss.

Suppose we estimate the proportion of the intrastate business at 40 per cent of the entire business, as is done by Col. Hinsdale, of counsel for the Governor, and we have the following result :

Forty per cent of \$220,024.40 is		\$88,009.76
Deduct taxes	\$13,626.62	
Deduct 40 per cent of interest (\$60,000)	24,000.00	
Deduct 40 per cent of interest on \$6,402.56	2,561.02	
Deduct 40 per cent of one-half loss operating G., C. and N. Railway	47,937.20	
	88,124.84	88,009.76
Showing net loss of		115.08

Taking 40 per cent of the amount invested, \$1,500,000, of capital stock—being less than the assessed value of the property, we have \$600,000, the value of the investment, upon which a dividend should be paid from intrastate business, (this is giving Col. Hinsdale the benefit of his patented process of determining the value of the investment in the property indicated), and there is nothing left in hand with which to pay the stockholders.

And for further answer this defendant avers that any reduction of its passenger rates, in the light of the facts and circumstances aforesaid, would be to deprive this defendant of its property without due process of law, and would deny to it the equal protection of the laws, and it expressly claims the protection of the Fourteenth Amendment to the Constitution of the United States.

And having fully answered, this respondent asks to be hence dismissed.

LEGH R. WATTS,
MACRAE & DAY,
Counsel for Respondents.

STATE OF VIRGINIA—

CITY OF PORTSMOUTH.

E. St. John, being duly sworn before me, J. M. Perkins, a Commissioner of Affidavits for the State of North Carolina, residing in the city of Portsmouth, Va., says that he is the Vice-President and General Manager of the respondent; that he has read the foregoing answer, and that the matters and things therein set forth are true of his own knowledge, except as to those which are stated upon information, and as to them he believes it to be true.

E. ST. JOHN.

Subscribed and sworn to before me this 5th day of July, A. D., 1898.

J. M. PERKINS,

Commissioner of Affidavits for the State of North Carolina, residing in the city of Portsmouth, Va.

[Seal.]

EXHIBIT "A."

I, John H. Sharp, Treasurer of the Raleigh and Gaston Railroad Company, hereby certify that the attached exhibit is an accurate extract from the books of said company, and that the amounts therein stated have been actually expended for betterments, permanent improvements, rolling stock and equipment for the Raleigh and Gaston Railroad Company since the execution of the mortgage of said company for \$1,000,000.00 in 1873; and I do further certify that the actual capital invested in said road and represented by said road, its equipment, etc., is over \$3,000,000.00, and that the figures showing such investments in permanent improvements, betterments, &c., have appeared in the public reports of said company, from year to year.

I do further certify that not one dollar of the proceeds of the sale of the bonds issued and secured by the mortgage of January 1st, 1897, has been expended for the purchase of Seaboard and Roanoke Railroad Company stock, or of any other stock, but that the stock of said Seaboard and Roanoke Railroad Company, now owned by the Raleigh and Gaston Railroad Company, was purchased and paid for before said bonds, secured by said mortgage of January 1st, 1897, were issued or sold.

JNO. H. SHARP,

Treasurer of the Raleigh and Gaston Railroad Company.

Subscribed and sworn to before me this 19th day of July, 1898.

[Seal.]

J. M. PERKINS,

Notary Public.

STATEMENT OF COST OF ROAD AND PROPERTY OF RALEIGH AND
GASTON RAILROAD COMPANY SINCE 1873, SHOWING AMOUNTS
CHARGED TO EXPENSES ALSO TO INCREASED CONSTRUCTION.

Amount up to 1873.....		\$1,500,000.00
Additions since that date charged in expenses, viz.:		
In 1873.....	\$54,892.61	
1874.....	60,935.58	
1875.....	75,414.27	
1876.....	58,336.54	
1877.....	14,625.96	
1878.....	3,200.00	
1879.....	61,546.05	
1880.....	144,951.53	
1881.....	215,127.01	
1882.....	55,645.95	
1883.....	62,791.21	
1884.....	104,613.84	
1885.....	74,714.70	
1886.....	99,368.52	
1887.....	70,511.37	
1888.....	87,879.01	
1889.....	84,171.26	
		1,328,725.41
Additions since were charged to cost of road and property, viz:		
In 1890.....	58,292.52	
1891.....	63,661.77	
1892.....	38,808.24	
1893.....	6,520.81	
1894.....	13,668.81	
1895.....	380.00	
1896.....	6,545.91	
1897.....	1,812.50	
	188,690.56	
Less deductions.....	4,250.00	
		184,440.56
		3,013,165.97

Col. Hinsdale, of counsel for the State, filed with the Commission the following paper, in answer to an explanation of the affidavit of Mr. J. H. Sharpe, Treasurer of the Raleigh and Gaston Railroad Company :

EXTRACTS FROM PRINTED REPORTS OF THE RALEIGH AND GASTON
RAILROAD COMPANY, STOCKHOLDERS' MEETING, ETC.

On page 21 of the reports of the stockholders' meeting of 1873 appears a full copy of the deed of trust or mortgage of the Raleigh and Gaston Railroad Company for \$1,000,000, dated in 1873, falling due in 1898, which was authorized by the act of the General Assembly of North Carolina of December 13, 1871, authorizing the Raleigh and Gaston Railroad Company to issue \$1,000,000 of mortgage bonds, and to subscribe and pay therefor to a \$1,000,000 of preferred stock of the Raleigh and Augusta Air Line Railroad Company. Copy hereto annexed.

On page 43 of the said printed report it appears that the roads, engines and property cost..... \$1, 500, 000. 00
And that it owns 6,210 shares of common stock in the Raleigh and Augusta Air Line Railroad Company, nominal value..... 150, 000. 00
And fifty-three shares of Raleigh and Gaston stock, par value..... 5, 300. 00
Debt of the company May 31, 1873..... 85, 000. 00

In the President's report of July 1, 1874, (see p. 10, of printed report) he says :

"By reference to the report of the Treasurer, you will note that we have paid for and received from the Raleigh and Augusta Air Line Railroad 3,300 shares of their guaranteed 8 per cent stock at par, and have sold \$220,000 of our first mortgage bonds at par and interest, since which time additional sales have been made upon the same terms."

On page 19 appears the following entries :

Net sales, 220 mortgage bonds..... \$217, 086. 24
Appropriates 80 mortgage bonds at par..... 80, 000. 00
Making of bonds..... 300, 000. 00
Paid for guaranteed stock in Raleigh and Gaston, 3,300 shares at par..... 330, 000. 00
On page 20, roads, engines and property cost..... 1, 500, 000. 00
Stocks in 3, 300 shares in Raleigh and Augusta Air Line at par..... 330, 000. 00
Six thousand two hundred and ten shares, common, valued at..... 150, 000. 00
Fifty-three shares Raleigh and Gaston Railroad Company, par..... 5, 300. 00
Coupon first mortgage bonds due January, 1898..... 300, 000. 00

In the President's report of July 13, 1875, page 8, he says :

"We have sold \$476,000 of our mortgage bonds at par and interest on account of our subscription for guaranteed stock of the Raleigh and Augusta Air Line Railroad, of which we hold 5,000 shares, bearing the same rate of interest."

On page 28 of the report of the meeting of 1874 appears :

Road engines and cost..... \$1, 500, 000. 00
Stocks, guaranteed, 5,000 shares, Raleigh and Augusta Air Line..... 500, 000. 00
Six thousand two hundred shares common stock in said company..... 150, 000. 00
Fifty-three shares in Raleigh and Gaston..... 5, 300. 00
Coupon first mortgage due January, 1898..... 476, 000. 00

In the report of 1876, at page 25, appears :

Road engines and cost..... \$1, 500, 000. 00
Stock in Raleigh and Augusta Air Line, May 31, 1875..... 500, 000. 00
Increase since then..... 220, 000. 00

Six thousand two hundred shares in Raleigh and Augusta Air Line, valued at	150,000.00
Fifty-three shares Raleigh and Gaston stock	5,300.00
First mortgage bonds due January, 1898, amount, May 1, 1875	476,000.00
Increase since then	182,000.00
Total bonds	658,000.00

In the report of 1877, page 17, appears :

Road, engines and cost	\$1,500,000.00
Investment, guaranteed stock of Raleigh and Augusta Air Line	948,282.93
Bonds of other companies, cost	17,257.50
Total	965,540.43
Raleigh and Gaston, 53 shares	5,300.00
Raleigh and Augusta Air Line, last valuation	1,500,000.00
First mortgage bonds due January, 1898	790,000.00

The President's report for July, 1878. (see printed report, p. 8) says :

"During the past fiscal year, this company has completed its subscription to the guaranteed stock of the Raleigh and Augusta Air Line Railroad, as authorized by the resolution of stockholders of October 3, 1872, and it was deemed advisable to withdraw from the market all bonds of this company remaining unsold. There have been sold in all 820 bonds of which 30 were sold during the past year. The bonded indebtedness of the company is, therefore, \$820,000. Due January 1, 1898."

On page 18 of this report appears:

Road engines and property cost	\$1,500,000.00
Guaranteed stock of Raleigh and Augusta Air Line	1,000,000.00
Bonds of other Companies	1,725,750.00
Stock, Raleigh and Gaston	5,600.00
Stock, Raleigh and Augusta	150,000.00
Liabilities, first mortgage bonds due January 1898	820,000.00

Report of 1879 shows:

Road, engines and property cost	\$1,500,000.00
Investments, guaranteed stock of Raleigh and Augusta Air Line cost	1,000,000.00
Common stock, Raleigh and Augusta	150,000.00
Bonds and stock of Atlanta and Charlotte Air Line, cost	17,257.50
Stock Raleigh and Gaston last year	5,600.00
Increase since cost	79,435.00
On page 24, liabilities, first mortgage bonds, due January 1898	820,000.00

On page 16, report 1880, appears:

Cost of road, engines and property	\$1,500,000.00
Investments	1,240,035.50
Bills receivable	71,464.01
Debts due the company	45,936.08
Cash	75,908.10
On page 17, bonds of the company, first mortgage due, January 1898	820,000.00

The report of 1885, at page 14 shows:

Cost of road, engines and property	\$1,500,000.00
Investments	1,035,000.50
Debts due by other companies	175,578.04
Cash on deposit	140,519.04
On page 15, mortgage bonds	820,000.00

The president's report of October 4, 1882, page 6, says:

"Under authority given to the Board of Directors by a resolution of stockholders passed on the 7th day of October, 1880, this company purchased on the 12th day of November, 1881, four hundred and forty-two second mortgage bonds and four thousand four hundred and twenty shares of stock of the Carolina Central Railroad Company.

"To meet the cash payment required for this purchase, the company sold the one hundred and eighty thousand first mortgage bonds then remaining in the treasury unsold, at the rate of hundred and twenty and accrued interest, free of all commission, and borrowed eighty thousand dollars of the Seaboard and Roanoke Railroad Company, which, with moneys in the treasury, was sufficient, without in the least embarrassing the company."

On page 14 of the same report:

Cost of road, engines and property	\$1,500,000.00
Investments, July 31, 1881	1,235,035.50
Increase July 31, 1882, (Carolina Central)	487,791.08
Less premium on bonds sold	36,000.00

(These bonds being the remaining 180,000 of the million dollar issue of first mortgage bonds)

Bills receivable	36,699.89
Debts from other companies	62,423.95
Cash on deposit	73,197.78
Liabilities, mortgage bonds due January 1898	1,000,000.00
Bills payable	108,417.00

Report of 1883, (on p. 12) appears:

Cost of road	\$1,500,000.00
Investments July 31, 1883	1,686,826.58
Increase since	2,000.00
Total	1,688,826.58
On page 13, mortgage bonds due January, 1898	1,000,000.00

In the report of the President of October 1, 1884, page 6, he says:

"During the year the company have added to their investments in the Raleigh and Augusta Air Line by the purchase of 747 shares of stock."

On page 14 appears:

Cost of road, engines and property	\$1,500,000.00
Investment (increased \$4,738.50)	1,693,565.08
Bills receivable, (increased \$40,000)	91,000.00
On page 15, mortgage bonds due January, 1898	1,000,000.00

On page 5, of 1885, proceedings of annual meeting of stockholders, appears a report which authorizes the exchange of the \$1,000,000 of the Raleigh and Augusta Air Line preferred or guaranteed stock, for a \$1,000,000 or mortgage bonds of the Raleigh and Augusta Air Line; this change being made under, and by au-

thority of an act of the General Assembly of North Carolina, ratified the 23rd of February, 1885. The said resolution authorized the mortgage to secure the said bonds.

On page 18 of the same printed report appears :

Cost of road, engines and property	\$1,500,000.00
Louisburg Railroad	4,354.59
Investments. (increased \$580)	1,694,145.08
Bills receivable	71,512.00
Debts due by other companies	55,099.32
Cash on deposit	97,228.89
On page 19, mortgage bonds due January, 1898	1,000,000.00

At the meeting of November 11, 1886, (see printed report p. 3), a resolution was passed authorizing the sale of the first mortgage bonds of the Raleigh and Augusta Air Line, for the purpose of acquiring by subscription, purchase, exchange or otherwise, the stocks or bonds or both of other railroad companies, and for no other purpose. The following is a copy of the resolution :

“Resolved, That the Board of Directors of this company be, and they are hereby authorized and empowered until otherwise directed by the stockholders in their discretion, upon such terms and conditions, at such prices and to such extent as they may consider expedient, to negotiate, sell or hypothecate the first mortgage bonds of the Raleigh and Augusta Air Line Railroad Company ; and with the proceeds thereof, to acquire for this company, by subscription, purchase, exchange or otherwise, the stocks or bonds or both of any other railroad or transportation company or companies now, or hereafter to be organized, which connects or may connect, directly or indirectly with this company or any of its branches ; or to exchange said bonds or any portion thereof, for the stocks or bonds or both of such company or companies.

“Resolved, That in order to negotiate, sell or exchange the said bonds to the best advantage, the Board of Directors are authorized and empowered in their discretion to direct the President for, and in the name of this company, to guarantee or endorse the said bonds so negotiated, sold or exchanged.”

On page 14 of this report appears :

Cost of road	\$1,500,000.00
Investments	1,694,145.00
Debts due by other companies	59,945.55
Cash on deposit	38,695.80
Louisburg Railroad	20,058.07
On page 15, mortgage bonds due January, 1898	1,000,000.00

The President's report of November 6, 1887, says :

“Under authority given by the stockholders to the Board of Directors at their last meeting, the company have subscribed at par to 2,500 shares of \$100 each of capital stock of the Georgia, Carolina and Northern Railroad Company ; and on page 7 this company has also subscribed to 1,500 shares of the capital stock of the Durham and Northern Railroad Company.”

On page 14 of the same report appears :

Cost of road, engines and property	\$1,500,000.00
Cost of Louisburg Railroad	21,266.57
Investments	1,694,145.08
Bills receivable	141,057.67

Cash	74,535.84
Debts due by the company	64,351.41
On page 15, mortgage bonds due January, 1898	1,000,000.00
On page 16, investments reduced, Raleigh and Augusta Air Line bonds (sold) to pay for the stock in the Georgia, Carolina and Northern	250,000.00

Report of 1888, (on p. 15) says :

Cost of road, equipment and property	\$1,500,000.00
Cost of Louisburg Railroad	21,266.57
Investments	1,553,070.08
Bills receivable	238,071.73
Due by other companies	333,719.96
Kept on deposit	185,375.17
First mortgage bonds	1,000,000.00
On page 16, premium on Raleigh and Augusta Air Line bonds (sold) ..	150.00

Report of 1889, (on pp. 14 and 15) says :

Cost of road and property, construction	\$1,500,000.00
Investments, stocks, bonds, etc	1,553,070.08
Cost one-fourth compress, Charlotte	4,529.86
Bills receivable	358,524.73
Surplus on hand, etc	120,842.18
Due to the company	346,244.47
Cash in banks	66,366.63
First mortgage bonds	1,000,000.00

Report of 1890, (on p. 16) says :

Cost of road and property	\$1,558,292.52
Being an increase of	58,292.52
Which was paid out of earnings of that year, (see pp. 15 and 16).	
Investments, stocks, bonds, etc	\$1,555,570.08
Cost of Louisburg Road	21,266.57
Cost one-fourth compress, Charlotte	4,529.86
Bills receivable	329,264.73
Surplus on hand	27,783.36
Debts due to the company	341,089.68
Cash in banks	184,650.87
First mortgage bonds	1,000,000.00

At the meeting of December 17, 1890, a resolution was passed authorizing a mortgage of \$2,500,000 for the purpose of paying off the present mortgage debt of \$1,000,000, and to provide funds "to enable the President and directors to acquire from time to time such lawful interest or interests in other companies, in such lawful manner or form as may be deemed advisable and necessary to the interests of the company, and to build and equip branch lines, or for such other purposes as may be authorized by the stockholders." (See p. 5, minutes.)

The President's report of November 9, 1894, shows that the Raleigh and Gaston Railroad Company and the Seaboard and Roanoke Railroad Company together have purchased \$600,000 of the bonds of the Seaboard Air Line Belt Railroad Company, the Raleigh and Gaston Railroad Company having already acquired \$24,980 of the capital stock of the company. The funds to pay for these bonds could be gotten only from the proceeds of the sale of the Raleigh and Augusta first mortgage bonds held by the Raleigh and Gaston Railroad Company.

The following is taken from the printed reports of the Railroad Commission, 1891 :
The Raleigh and Gaston Railroad Company reports on page 430 stocks owned as follows :

	Total par value.	Valuation.
Georgia, Carolina and Northern Railway Company	\$250,000	\$250,000.00
Durham and Northern Railway Company	150,000	150,000.00
Raleigh and Augusta Air Line Railroad Company	172,200	157,273.50
Raleigh and Gaston Railroad Company	182,800	87,960.50
Carolina Southern Railroad Company	3,000	3,000.00
Louisburg Railroad Company	100	45.00
Richmond, Fredericksburg and Potomac Railroad Company	8,000	9,695.00
Total		657,974.00

Bonds owned as follows :

First mortgage bonds, Raleigh and Augusta Air Line Railroad Company	\$456,000	
Second mortgage registered income bonds, Carolina Central Railroad Company, with stocks, coupons attached	442,000	\$456,000.00
Total		907,791.08

On page 433, the cost of road is reported, June 30, 1890, at	\$1,522,593.11
June 30, 1891	1,542,413.64
Cost of equipment, June 30, 1890	35,699.41
Cost of equipment, June 30, 1891	79,540.65
Funded debt	1,000,000.00
Cash on hand, (see p. 426)	137,006.82
Report of 1892 (p. 183) shows precisely the same stocks owned, except that the company has purchased since the last report the Columbia and _____ Railroad stock valued at	5,001.00
The company reports only \$200,000 of first mortgage bonds, worth	206,000.00
Instead of	456,000.00
Having disposed of in the last twelve months	250,000.00
Cash on hand, (p. 179)	306,571.07
Bills receivable, increased since report of 1891, about	28,000.00
It reports the same amount of second mortgage registered bonds of the Carolina Central on hand, and on page 186 it reports a decrease of \$250,000 bonds owned, and an increase of stocks owned	5,001.00
Of other permanent investments	34,750.00
And an increase of cash and current assets	198,265.30
Increase of sundries	20,469.55

Cash on hand in report of 1893 (p. 176) shows the same stocks owned, except the company reports as acquired in addition since the last report :

Seaboard Air Line Belt Railroad	25,000.00
And it reports, second mortgage income registered bonds, Carolina Central Railroad	442,000.00
Of the value of	451,791.08
It reports, costs of road at	1,571,845.69
An increase of	6,520.81
It reports no increase of cost of equipment.	

It reports total of stocks.....	687,975.00
Being an increase of.....	25,000.00
It reports decrease of bonds owned.....	206,000.00
Being the \$206,000 first mortgage bonds of the Raleigh and Augusta Air Line.	
It reports an increase of permanent investments.....	57,188.25
And an increase of cash and current assets.....	104,978.03
It reports the funded debt the same.	
It shows on hand of cash, (p. 173).....	6,367.53
It shows bills receivable.....	842,434.37
Being an increase over the report of 1892 of.....	424,909.64
Debts due from solvent companies and individuals have been decreased about.....	5,500.00
Report of 1894.	
The stocks owned are precisely the same.	
The bonds owned are increased as follows:	
Carolina Central, Shelby division.....	100,000.00
Valuation.....	76,250.00
Registered bonds, Carolina Central, par value.....	533,000.00
Valuation.....	474,541.08
Cost of road reported at.....	1,582,381.17
Being an increase of.....	10,535.48
Cost of equipment.....	97,570.98
Being an increase over 1893 of.....	2,133.33
Stocks owned are reported the same.	
Bonds owned are reported an increase of.....	99,000.00
Other permanent investments, a decrease of.....	47,040.37
Cash is reported on page 177.....	40,671.61
Bills receivable.....	610,530.34
Being a decrease of.....	231,904.03
Due from solvent companies.....	300,828.35
Being an increase of between three and four thousand.	
Cash and current assets.....	980,365.19
Being a decrease of.....	182,371.17
Report of 1895:	
Stocks owned the same.	
Bonds owned the same, with additional International Cotton States Exposition.....	
Exposition.....	2,000.00
Cost of road same.	
Cost of equipment.....	94,070.98
Being less.....	25,000.00
Bonds owned.....	552,791.08
Being \$2,000 more.	
Cash and current assets.....	1,034,217.93
Being an increase of.....	53,821.74
Other assets, equipment trusts.....	80,790.37
Being an increase over 1894 of.....	16,562.50
On page 219 is found cash reported at.....	3,687.47
Bills receivable.....	680,779.30
Being an increase of.....	70,248.96
Due from solvent companies.....	322,653.55

Being an increase of	21,825.20
Report of 1896 :	
Cost of road is reported at	1,589,307.08
Being an increase of	6,545.91
Cost of equipment	93,320.98
Being an decrease of	750.00
Stocks owned same.	
Bonds owned	550,791.08
Being a decrease of	2,000.00
Other permanent investments the same.	
Cash and current assets	1,069,072.30
Being an increase of	34,854.37
Equipment trusts	100,933.88
Cash on hand, (see p. 2001)	6,083.50
Bills receivable	656,140.37
Being a decrease of	24,638.93
Due from solvent companies	363,506.67
Being an increase of	40,853.02
Net traffic balance due from other companies	43,341.76
Being an increase of	21,094.71
Report of 1897 :	
The same stock increased by Seaboard and Roanoke Railroad stock, (pp. 168, 174)	191,070.00
Bonds owned the same as last year.	
Cost of road, (see p. 168)	1,591,119.58
Increase of	1,812.50
Cost of equipment, (no increase)	93,320.98
Stocks owned	879.025.00
Being an increase of	191,070.00
Bonds owned, (no increase)	550,791.08
Other permanent investments the same	66,165.05
Cash and current assets	1,146,604.16
Being an increase of	77,531.86
Equipment trusts	125,154.72
Being an increase of	24,220.84
The funded debt, which, up to this time has been reported	1,000,000.00
Is now reported at	1,200,000.00
Increase	200,000.00
On page 165, it is reported that in cash was realized from these bonds	200,000.00
On page 166, cash is reported at	90,782.97
Being an increase over last year of	84,699.47
Bills receivable	677,241.45
Being an increase of	21,101.08
Due from solvent companies	341,083.17
Being a decrease of	22,423.50
Net traffic balances from other companies	37,466.57
Being a decrease of	5,875.19
The income from operation for the year 1897 was	220,024.40
To which is added other incomes, amounting to	29,084.67
Making a total income of	249,109.07

Of this was paid as interest on the funded debt of the Raleigh and Gaston Railroad Company.....		80,833.33
On interest of other liabilities.....		6,402.56
On taxes.....		13,626.62
Other deductions.....		120,372.79
Making total deductions.....		221,372.79
Leaving a balance of.....		28,126.77
Not enough to pay for the Seaboard and Roanoke stock.		
Other deductions.....		120,372.79

According to the statement which appears on page 167 is the amount paid by the Raleigh and Gaston Railroad Company., on account of the operation of the Georgia, Carolina and Northern. See item on page 142 in the Georgia, Carolina and Northern Report of of 1887 as follows: "Miscellaneous income, \$240,287.58," which explained by the following foot note on said page 142 "This amount received from Seaboard and Roanoke Railroad Company, represents the amount they paid to make good loss in operating for the year under the terms of the lease, \$239,687.58. One half of which was paid by the Seaboard and Roanoke, the other half by the Raleigh and Gaston."

It will be seen that from 1873 to 1897, the construction account and equipment account have been increased by only \$184,440.56. This money was received from the earnings on the road and not from the proceeds of bonds as is absolutely demonstrated by the reports.

\$820,000 of the first mortgage bonds of the Raleigh and Gaston Railroad Company were paid in the purchase of \$1,000,000 of the Raleigh and Augusta Air Line Railroad Company., preferred stock, the company making up the other \$180,000 out of its earnings. The remaining \$180,000 of Raleigh and Gaston mortgage bonds were afterwards sold, and the proceeds applied to the purchase of stock and bonds in the Carolina Central Railroad Company. See President's report of October 4, 1882, page 4. This one million dollars of preferred stock in the Raleigh and Augusta Air Line Railroad Company was secured by a first mortgage on the Raleigh and Augusta Railroad. In 1885, by express authority of the Legislature, contained in the act of 1885, Laws of 1885 (ch. 115, p. 168), this preferred stock was changed into mortgage bonds of same company in order to be sold and the proceeds used in purchasing an interest in the Georgia, Carolina and Northern Railroad Company, the Durham and Northern Railroad Company and others. The resolution of stockholders authorized the sale of these bonds for this and no other purpose, and this was the only purpose of the exchange. \$250,000 of them were sold and paid for stock in the Georgia, Carolina and Central, \$150,000 of them were sold and paid for the interest in the Durham and Northern, and \$100,000 of them were sold and paid for the interest in Carolina Central Shelby division, etc.

As to the \$200,000 increase of mortgage debt in 1897, it appears that cash was realized therefor and that during the same year, the Seaboard and Roanoke stock of the value of about \$200,000 was purchased by the Raleigh and Gaston Railroad Company. The closest scrutiny of the accounts of the Raleigh and Gaston Railroad Company, contained in the Commissioners' reports of 1897, shows, that there was no other source from which this \$200,000 could have been paid; that the Raleigh and Gaston Railroad Company, did not have the cash, and that they did not earn it that year in excess of their needs and the reports show no other source from which it is pretended that this money came. And while the company reports the bonds

as sold for \$200,000 of cash it does not show the cash on hand at the end of the year and it shows no other way in which it was expended. So from every standpoint it is manifested that these bonds were used in this way and no other. It will also be remembered, that while these sworn reports show these facts, there is no testimony to the contrary. The statement of counsel not under oath can not be accepted in the face of the sworn record evidence to the contrary, unless Mr. Sharp's ex parte affidavit filed without notice to the other side is to be taken as evidence. So upon the whole it is plain that the statement in the answer, that every dollar of the proceeds of the \$1,200,000 of bonds has been expended in construction and equipment, is absolutely untrue and misleading, and that on the contrary, not one single cent of the proceeds of any one of these bonds or any exchanged bonds was expended in this way, but that every dollar was invested in the stock and bonds of other railroad companies. This is shown by the company's sworn reports. The learned counsel produced before the Commissioners a printed copy of a mortgage dated January 1, 1897, and recorded May 15, 1897. This was executed in the place of another mortgage of same date, registered in March, 1897, and which discloses the true inwardness of the second mortgage. The purpose throughout was to use the 200,000 of bonds as they were used in the purchase of stock in another railroad company. The company was doubtless advised, that it would not do to disclose this ultra vires purpose on the face of the mortgage, as it might vitiate it. Hence the change in the verbiage. But no change in the purpose of the company ever came and so the bonds were appropriated to the purchase of Southern and Raleigh Railroad Company stock.

It makes no difference that the purchase of the stock preceded but a short time, the actual sale of the bonds. A temporary loan, made with the knowledge that it could and would be taken up with the proceeds of the bonds about to be sold enables Mr. Sharp to testify that the stock was purchased before the bonds were issued. But it does not alter the situation. The fact remains that the proceeds of the bonds went to pay for the purchase of the stock and Mr. Sharp's accounts, demonstrate it, and there is no power on earth which can destroy this fact.

Now to prove that the Raleigh and Gaston Railroad Company between 1891 and 1897 did not make enough surplus earnings to pay for the Southern and Raleigh Railroad stock let us examine the reports to the Railroad Commissioners stock printed each year.

In 1891 the total income was.....		\$265,662.01
This was expended as follows:		
Interest and taxes.....	\$84,111.90	
Dividend, 6 per cent.....	90,000.00	
Surplus was.....	91,550.11	265,662.01
<hr/>		
In 1892 the total net income was.....		\$205,964.28
Which was expended as follows:		
Interest and taxes.....	\$84,416.89	
Dividend.....	75,000.00	
Surplus was.....	46,547.39	205,964.28
<hr/>		
In 1893 the income was.....		\$230,332.29
Interest.....	\$80,000.00	
Taxes.....	1,153.94	
Other deductions.....	138,068.56	
Surplus was.....	11,109.79	230,332.29

The "other deductions" are explained on page 156 of the Reports of 1893, as being the Raleigh and Gaston proportion of the loss in operating the Georgia, Carolina and Northern.

In 1894 the total income was		\$154,369.39
Interest	\$80,000.00	
Other interest	696.75	
Taxes	13,837.81	
Other deductions	192,265.15	286,797.71
Showing a deficit of		132,432.32

Other deductions are explained on page 155 of the Raleigh and Gaston account, which shows that it represents the proportion of the Raleigh and Gaston in its loss in operating the Georgia, Carolina and Northern Railroad Company.

In 1895 (p. 223) is shown a total income		\$223,819.19
Expended as follows:		
Interest	\$80,000.00	
Taxes	13,657.99	
Other deductions	189,505.33	283,163.32
Showing a deficit of		59,344.13

The item, other reductions, \$189,505.33, is explained on page 282 of the Georgia, Carolina and Northern reports, as being the Raleigh and Gaston proportion of the loss of operating the Georgia, Carolina and Northern, the total loss being \$367,547.04.

In 1896, total income		\$256,868.92
Interest on funded debt	\$80,000.00	
Other interest	3,350.00	
Taxes	14,856.08	
Net income or surplus 1896	19,790.14	
Other deductions	138,872.70	256,868.92

Other deductions, \$138,872.70, is explained on page 175, Georgia, Carolina and Northern report, being the Raleigh and Gaston's share of the loss in operating, total loss being \$273,017.79.

In 1897 (p. 167), total income		\$249,109.07
Interest on funded debt	\$80,833.33	
Other interest	6,402.56	
Taxes	13,626.62	
Other deductions	120,372.79	
Net income or surplus 1897	27,872.77	249,109.07

The other deductions, \$120,372.79, are explained on page 142, Georgia, Carolina and Northern report, by the item miscellaneous income, \$240,287.58, one-half of which, the Raleigh and Gaston's proportion, with a little variation, is \$120,143.79. On page 142 is a foot note, as follows: "This amount received from Seaboard and Roanoke Railroad Company, represents the amount they paid to make good loss in operating for the year under the terms of the lease, \$239,687.58."

This is a demonstration that the Raleigh and Gaston Railroad Company, as the result of its operations from 1891 to 1897, after paying its obligations incurred in ultra vires ventures made only \$5,093.74, as follows:

Net profits in 1891.....		\$91,550.11
“ “ 1892.....		46,547.38
“ “ 1893.....		11,109.79
Deficit in 1894.....	\$132,432.52	
“ “ 1895.....	59,344.13	
Net income in 1896.....		19,790.14
“ “ 1897.....		27,872.77
	191,776.45	196,870.19
		191,776.45
		5,093.74

These ventures were ultra vires in the sense that they were not authorized by the charter of the Raleigh and Gaston Railroad, and that although the Legislature undertook to authorize them, any stockholder, who might be advised of his rights, might have interposed and prevented them.

To sustain this proposition it is only necessary to cite a few authorities.

“Contracts of a corporation beyond the scope of powers enumerated in its charter (read in the light of any general laws which are applicable) and other powers not fairly incidental thereto are unlawful and void.” *Central Transp. Co. v. Pullman Palace Car Co.*, 139 U. S. 24.

“It is also of the essence of the contract that the corporate powers shall only be exercised to accomplish the objects for which they were called into existence, and that the majority shall not control those powers to pervert or destroy the original purposes of the corporators.” *Livingston v. Lynch*, 4 Johns Ch., 573; *Hutton v. Scarborough Cliff Co.*, 2 Drew & S., 514; *Brewer v. Boston Theatre*, 104 Mass., 378; *Keane v. Johnson*, 9 N. J. Eq., 401; *Rollins v. Clay*, 33 Me., 132; *Clinck v. Financial Corp.* 4 Ch. App., 117; *Clearwater v. Meredith*, 1 Wall., 25; *Ervin v. Oregon Ry. and Nav. Co.* 27 Fed. Rep., 631.

“The stockholder subjects his interest to the control of the proper authorities, to accomplish the object of the organization, but he does not agree that the purpose shall be changed in its character at the will of the directors, or a majority of the stockholders, even. The contract can not be changed without the consent of both contracting parties.” *Clearwater v. Meredith*, 1 Wall., 25; *Hartford and N. H. R. Co. v. Crosswell*, 5 Hill, 365; *McCrary v. Junction R. Co.*, 9 Ind., 358; *Winter v. Muscogee R. Co.*, 11 Ga., 438; *Middleton Turnpike Co. v. Locke*, 8 Mass., 268. See authorities cited in note 6, pages 77, 78, *Greens Brice, Ultra Vires*. See authorities in note 40, *Amer. Dec.* 358, 359; note 32, *Amer. Dec.*, 717; note 33 *Amer. Dec.*, 604; 41 *Amer. Dec.*, 341, and 47 *Amer. Dec.*, 29; *Vennor v. Atchison T. and S. F. Co.*, 28 Fed. Rep., 587.

A corporation proposing to engage in any transaction not within its express or implied power may be restrained from doing so or from continuing the same. No majority, however large, has a right to divert one cent of the joint capital to any purpose not consistent with and growing out of the original fundamental intention. Nothing is more clearly settled than that any fundamental alteration of a charter, or material deviation from or extension of a road, in the case of road companies, interferes with the rights of the corporators, and that no majority, however large, can compel individual stockholders to submit. *Kean v. Johnson*, 1 Stockt., 401; *Black v. Delaware and R. C. Co.*, 7 C. E. Green, 130 sic., on appeal; 9 C. E. Green, 455.

The business of a corporation can not be changed or abandoned, or sold out with-

out the consent of all the corporators; one corporator, however small his interest, can prevent it. *Zabrisk v. Hackensack and N. Y. R. R. Co.*, 3 C. E. Green, 178; 18 N. J., Eq., 178; *Greens Brices Ultra Vires*, pp. 77, 78.

So, although the State of North Carolina could not interfere and annul the charter on account of ultra vires acts which it had authorized; each stockholder, relying upon the integrity of his contract of subscription, could enjoin the act of diverting assets of the corporation to objects foreign to its charter, as for example, the purchase of other stocks; and the Legislature has no power to alter this contract without his consent. Therefore, the purchase of such stock in so far as dissenting stockholders are concerned remains ultra vires.

In this case the Commission is of the opinion that the State should not be put to any more expense with multiplicity of lawsuits, when there is now pending a suit which will be decisive in all points of the matter under consideration.

NORTH CAROLINA RAILROAD COMMISSION.

RALEIGH, April 22, 1898.

Mr. W. G. Elliott, President Wilmington and Weldon Railroad Company, Wilmington, N. C.

DEAR SIR:--I am directed by the Board of Railroad Commissioners to furnish you with copy of complaint by D. L. Russell, Governor of North Carolina, against the Wilmington and Weldon Railroad Company, asking that the rate of charges for the transportation of passengers over the Wilmington and Weldon Railroad be reduced, copy of complaint and petition herewith.

I am further directed to serve notice on you to show cause before the Board of Railroad Commissioners, at Raleigh, N. C., on the 16th day of May next, why the prayer of the petitioner should not be granted.

You will take due notice thereof.

Very respectfully,

(Signed) H. C. BROWN, Clerk.

DANIEL L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

vs.

THE WILMINGTON AND WELDON RAILROAD COMPANY.

COMPLAINT FOR THE REDUCTION OF PASSENGER RATES.

To the Honorable Board of Railroad Commissioners of North Carolina:

Having been retained by the Governor of North Carolina to represent the people of this State of North Carolina in this behalf, we present this complaint, and respectfully ask that your Honorable Board will reduce the intrastate or domestic

passenger rates on the Wilmington and Weldon Railroad to two and one-half cents per mile for first-class and two cents per mile for second-class passengers.

In view of the action of your Honorable Body, in refusing to make a general reduction of passenger rates operating on the three great railroad systems of the State, on account of the supposed meaning and application of the decision of the Supreme Court of the United States, in what is known as the Nebraska case, it is deemed advisable that test cases should be at once presented to the courts in order that it may be definitely determined to what extent your Honorable Board still has the right to regulate fares. It is suggested that the effect of the Nebraska decision has been misconceived and that it does not prevent this Commission from reducing the passenger rates upon certain of the railroads in the State.

We are advised that the Nebraska decision does not interfere with the proposed action of this Commission. In this case, the Railroad Commissioners of Nebraska undertook to reduce the freight rates of certain railroads in the State so low that, instead of receiving a fair compensation for the services rendered by them, they would have operated said railroads at a positive loss.

The case settled several points:

1. A railroad corporation is a person within the meaning of the Fourteenth Amendment, declaring that no State shall deprive any person of property without due process of the law, nor to deny to any person within its jurisdiction the equal protection of the laws.

2. A State enactment, or regulations made under the authority of a State enactment, establishing rates for the transportation of persons or property by railroads that will not admit of the carrier earning such compensation as under all the circumstances is just to it and to the public, would deprive such carrier of its property without due process of the law, and deny to it the due protection of the laws, and would, therefore, be repugnant to the Fourteenth Amendment of the Constitution of the United States.

3. While rates for the transportation of persons and property within the limits of a State are primarily for its determination, the question whether they are so unreasonably low as to deprive the carrier of its property without such compensation as the Constitution secured, and, therefore, without due process of the law, can not be so conclusively determined by the Legislature of the State or by regulations adopted under its authority, that the matter may not become the subject of judicial inquiry.

4. That a reduction of local freight rates, so low as to prevent the company from receiving any compensation is unconstitutional.

5. That the reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property, wholly within its limits, must be determined without reference to the interstate business done by the carrier, or to the profits derived from it. And that the State can not reduce the profits from domestic business to nothing, because the company is making a fair return on its interstate traffic.

6. That a railroad corporation is not entitled to exact such charges for transportation as will enable it at all times to meet operating expenses, pay interest on its obligations, and declare a dividend to stockholders; but the rates must be fixed with reference to the fair value of the property used for the public, or the fair value of the service rendered.

There is one question which was not presented to or passed upon by the Supreme Court in this case. This question is still open, viz, what proportion of the value of

the property of a railroad within a State shall be considered as entitled to earn a reasonable percentage or profit on domestic, and what proportion on interstate business?

While it is admitted that a railroad company whose property is used in both domestic and interstate commerce, is entitled to earn in respect to the whole of its business a reasonable percentage of profit, must not that percentage of profit be apportioned, so that a certain part of it shall be considered as derived from domestic, and the balance from interstate business? Then the question arises, by what rule, or upon what basis, shall this apportionment be made?

Suppose that one-third the volume of a railroad company's freight and passenger business is domestic and two-thirds foreign or interstate; that 6 per cent upon the entire property of the company is a fair percentage of profit for it to receive from its entire operations, and that of this, 2 per cent is made from domestic and 4 per cent from foreign business. If the company is entitled to receive 6 per cent upon the value of its entire property, on account of domestic business, and 6 per cent on account of foreign business on the same value, it will receive 12 per cent, in the aggregate, which is excessive. If it is receiving 12 per cent on the whole of its business, one-third of which is derived from domestic traffic, there is nothing in the Nebraska decision to prevent the State from reducing the fares or freights or both, to such a rate as will enable the company to make but 2 per cent on the total value of its property, out of its domestic business, or what is equivalent thereto, 6 per cent on one-third of such total value. If the volume of domestic business is one-fourth of the whole, then the company would be permitted to earn a profit on such business of 6 per cent on one-fourth of the total value of its property in North Carolina, or $1\frac{1}{2}$ per cent on the total value thereof. The railroads were built to be used in both domestic and interstate business, and it is but just that, with respect to each class of business, they shall be permitted to earn a fair profit upon the proportion of their investment which may be deemed appropriated to that class of business, the total profit being limited to a just per centum of the total investment. And such proportion of the investment of its capital or of the value of its property, is to be deemed appropriated to domestic business, as the value of such business bears to the whole business of the company. To put it in another way: If a railroad company is earning a profit on all of its business of 12 per cent upon the total value of such property, one-third of which is derived from domestic and two-thirds from foreign business, and if 6 per cent is deemed a fair profit for the company to be permitted to make on all of its business, without question, the Railroad Commissioners would have the power to reduce the domestic or local freight or fares, one or both, to such a limit as would permit the company to receive but 2 per cent on the total value of the property, inasmuch as 2 per cent on the value of the property, would, under the circumstances, be considered as a reasonable profit upon such business.

Differently construed, the Nebraska decision would absolutely destroy in every case that most salutary power of the Commission - the power to regulate the freights and fares of railroad companies for the protection of the public. Construed in this manner, the decision does not prevent the Railroad Commissioners from reducing the fares on some of the railroads in the State.

Moreover, it will be observed that the Nebraska decision does not decide that a railroad must be permitted to take a certain percentage of profit out of every class of its domestic business, as, for example, a reasonable percentage of profit out of its domestic passenger business; a reasonable percentage of profit out of its domestic express business; a reasonable percentage of profit out of its mail service; and a reasonable percentage of profit out of its domestic freight business. It would be

beyond the power of the Commission or the court to interfere with the internal management and adjustment of these several matters. They would simply hold, that from its domestic business of all kinds, in the aggregate, the company shall not be prevented from receiving a reasonable compensation for such service.

But whether these views upon the legal questions are correct or not, it is all important to the people of North Carolina that the courts should have an opportunity to pass upon them. This can not be done until the case is presented, but no case can be presented until the Railroad Commission shall undertake, in one or more instances, to fix the fares or freights of a railroad company in the State. No irreparable damage will be done to the companies to be selected, because the rates will not go into effect until the courts shall have investigated and properly decided all questions involved.

What railroads should be selected for the test cases?

1. They should be situated entirely within the State.
2. They should be located in the most populous and productive counties in the State, enjoying the largest domestic or local travel.
3. They should be those having the largest income in proportion to their value.

The Wilmington and Weldon Railroad Company presents a favorable subject for one of the test cases. According to its reports for 1897, presented to the Railroad Commission, it operated under the title of the Wilmington and Weldon Railroad Company, the Wilmington and Weldon Railroad proper, the Wilson branch, the Scotland Neck branch, the Washington branch, the Nashville branch, the Clinton branch, the Midland branch, the Tarboro branch, and spurs to the mills and factories. The last six branches and the spurs have an aggregate mileage of 243.30 out of the total mileage of 520.95. None of these branches, with the exception of the Wilson branch, are very prosperous. By consolidating the report of operation of the Wilmington and Weldon Railroad Company proper, with the reports of operation of all these branches, the profits of that company have been apparently reduced in the general average, and do not appear as large as they really are. In fact, it is impossible to tell from the reports filed, what are the receipts and expenses of the Wilmington and Weldon Railroad proper. It is conceived that there is a larger percentage of profit made by this company upon its main line than upon any of its branches, except, perhaps, the Wilson branch. This railroad company reports from all the operations of its main line and branches, the gross earnings of

of	\$1, 874, 813. 65
Less operating expenses.....	1, 088, 840. 98
Income from operation.....	785, 972. 87
Less taxes.....	43, 949. 13
Net income from operations in North Carolina.....	742, 023. 74

The property of this road and its branches, is assessed for taxation at the aggregate sum of \$5,286,000, which the company insists was an excessive valuation, so, that notwithstanding the account is loaded down with the affairs of unprofitable branches, this company makes a net profit of .143 per cent upon the assessed valuation of the said property.

If the passenger earnings per train mile upon the Wilmington and Weldon Railroad and its branches, as compared with such earnings on other railroads in North Carolina, are any indication of the prosperity of the railroad, and of the profitable operation, the Wilmington and Weldon Railroad Company will not suffer by the comparison.

The following railroad companies report passenger earnings per train mile as follows:

Cheraw and Darlington Railroad Company.....	.53852
Norfolk and Carolina.....	.58469
Wilmington, Columbia and Augusta.....	.73771
Carolina Central.....	.77936
Durham and Northern.....	.42453
Georgia, Carolina and Northern.....	.63531
Raleigh and Augusta.....	.72894
Seaboard and Roanoke.....	.72374
Asheville and Spartanburg.....	.74591
University Railroad.....	.87115
Cape Fear and Yadkin Valley Railroad.....	.56033
Carolina and Northwestern.....	.461
Norfolk and Western.....	.78237
Suffolk and Carolina.....	.60435
The Raleigh and Gaston Railroad Company reports passenger earnings per mile of.....	.93716
The Wilmington and Weldon for itself, and all of its branches, reports average passenger earnings per train mile of.....	.91991

It is conceived that if the Wilmington and Weldon Railroad Company had filed a full report of the operation of its railroad, separate and distinct from that of its branches, particular data would have been furnished sufficient to demonstrate that it is one of the most prosperous roads in the State and well able to stand the proposed reduction of its domestic passenger fares.

But it is submitted that the company's reports, which have been filed with the Commission, show forth facts which are amply sufficient to justify your Honorable Board in establishing the rates which by this complaint we ask at your hands.

Respectfully submitted,

JOHN W. HINSDALE,
C. A. COOK,
W. C. DOUGLASS,

Attorneys for the State of North Carolina.

April 20, 1898.

EXHIBIT No. 2.

BEFORE THE BOARD OF RAILROAD COMMISSIONERS OF NORTH CAROLINA:

DANIEL L. RUSSELL, GOVERNOR OF NORTH CAROLINA,

vs.

WILMINGTON AND WELDON RAILROAD COMPANY.

Answer of the defendant, the Wilmington and Weldon Railroad Company, to the complaint herein.

The defendant protests against the statement in the complaint that, in view of the decision of the Supreme Court of the United States in what is known as the "Nebraska Case" it is advisable that test cases should be at once presented to the

courts in order to definitely determine to what extent your Honorable Board still has the right to regulate fares, and to the contrary thereof the defendant submits that your Honorable Body was not created by the Legislature for the purpose of trying moot-cases, or to devise test cases, but to try and decide actual controversies in due and orderly course of legal procedure and according to the best judgment of the Board, and doth further submit that the "Nebraska Case" does definitely determine to what extent your Honorable Board has the right to regulate fares on railroads operated wholly within this State.

The object of this action is clearly presented in the following language of the complaint, "But whether these views upon the legal question are correct or not, it is all important to the people of North Carolina that the courts should have an opportunity to pass upon them. This can not be done until a case is presented. But no case can be presented until the Railroad Commission shall undertake, in one or more instances, to fix the fares or freights of a railroad company in the State." This clearly shows that the true intent of the complaint is to invoke your Honorable Body to reduce the fare, simply that the United States Supreme Court may finally decide as to the justice of such reduction.

The defendant further protests to this Board that this question of the reduction of passenger fares over the lines of railroad in North Carolina is no new question. That it was brought before the former Board of Railroad Commissioners by practically the same complainant, and earnestly and zealously argued and insisted on; and the said Board, in the light of reason, and upon the evidence produced before it upon hearing of the question, after mature deliberation, decided that the rates then in force, which were the same as the present rates of passenger fares, and which had been previously prescribed by the Board and existing in this State, were just and reasonable, and that any reduction of the same would not only be unjust and unreasonable but oppressive, and in this connection the said Board, in the report which they made in compliance with the act of the General Assembly of this State creating the said Board, to the Governor of North Carolina under date of December 31, 1896, used the following language, to-wit: "A statement which follows shows local rates in different States, varying from 4 cents per mile in Florida to 3 cents in Pennsylvania and $2\frac{3}{4}$ cents in Massachusetts. When it is considered that the population in Massachusetts is 309 per square mile and of Pennsylvania 123 per square mile, as compared with a population of only 33 per square mile in North Carolina, the established rates of $3\frac{1}{4}$ first-class and $2\frac{3}{4}$ cents second-class in this State are certainly relatively very much lower than the rates of 3 cents and $2\frac{3}{4}$ cents, respectively, in Pennsylvania and Massachusetts. Comparing the passenger traffic of important railroads of the North and West with the traffic of the roads in North Carolina, it will be seen that the passenger rates charged in this State are now very much lower, in proportion to the volume of traffic, than the rates in other sections of the country."

Again, in the month of July, 1897, the Board of Commissioners, with a view to the further investigation of the same matter, required the several railroad companies of this State, including this defendant, to appear before it on the 12th day of July, 1897, and show cause, in writing, why a revision of the freight and passenger traffic should not be made. And prominent officials of the State and other interested citizens who were publicly advocating such reduction were invited to be present at the hearing, and present to the Board their views or any information or facts in their possession touching the matter. That at the hearing on the said 12th day of July, 1897, communications in response to such invitation from the Governor, Hon. D. L. Russell, and others, were presented and read, advocating

the reduction of both passenger and freight tariffs. The Commission "after a most painstaking investigation of the rates of passengers and freights as they now exist and in comparison with previous years," upon the hearing refused to disturb the said rates and reported as follows:

"They also find that the passenger rates, as a general thing, are as low, if not lower, than that of any other State of a like population to the square mile; and the freight rates will, as a whole, compare most favorably with any State in the Union. As a proof of this, reference is made to a most careful and accurate report of rates in all the States given this day to the press, and now on file in this office.

"The Commission, from the above facts, together with others elicited by the recent discussion, see no good reason for changing their views as expressed in their last report, but do reiterate that the 'present rates are just and reasonable and such as were contemplated in the act creating the Commission,' and will make no change at present time."

And further, that this question is not a new one to the present members of this Honorable Board, for that this matter of the reduction of passenger fares was before them but a very few weeks since, and after a careful consideration it was deliberately determined by this Board, and, as this defendant had reason to believe, was definitely settled that the present rates of fare were only just and reasonable and should not be disturbed or reduced. That since these decisions of this Board there has been no such change in the condition of affairs, or in the business of the railroad, or in existing circumstances, to warrant any change of the rates of passenger fares. And in view of these facts the defendant, with the deference and respect which it owes to the Governor of North Carolina, submits that any further agitation of this matter is not only unjust and unreasonable, but vexatious and oppressive.

This defendant is advised that so much of the complaint in this cause as refers to the decision of the Supreme Court of the United States in the "Nebraska Case," is purely a matter of law which this defendant is not called upon to answer, and, therefore, to so much of this complaint this defendant answereth not, except to deny the correctness of the conclusions of law and the reasoning which the plaintiff attempts to deduce from the "Nebraska Case."

This defendant submits to the Board that it has already construed at a former hearing the effect of the said "Nebraska Decision" and that it is no part of its duty, and this defendant is sure that it is not its pleasure, to make rulings simply for the purpose of starting up litigations in order that the Supreme Court of the United States may be called upon more accurately to define its powers and limitations.

The defendant further submits that it is the duty of the Board to make its ruling according to its view of the facts and law applicable thereto, and leave results to take care of themselves.

But this defendant desires to protest against the allegation of the complaint that "no irreparable damage will be done to the companies selected because the rates will not go into effect until the courts shall have investigated and decided upon the questions involved," and to the contrary this defendant is advised and believes and therefore avers that according to the express provisions of the statute establishing this Honorable Board and known as the "Railroad Commission Act," the rates of freight and fare fixed by this Board shall be and remain the established rates, and shall be so observed and regarded by all railroads until the same shall be reversed or modified on appeal to the Superior Court, unless the heavy justified undertaking prescribed in the act be filed by the railroad company, conditioned for the payment by such railroad company into the treasury of the State of the difference between

the fares charged and received and those fixed by the Commission, and for the quarterly reports required in such cases.

And defendant avers that the Wilmington and Weldon Railroad and all of its branches which are mentioned and set forth in the complaint are but one corporation existing under the charter of the Wilmington and Weldon Railroad Company, possessing but one franchise, and operated as a whole by but one company and its officers. That none of these branches have any corporate existence separate and apart from the main company. That the accounts of the operation of the main road and its branches, with all their earnings and expenses are kept together in but one and the same general account. That as these roads are operated together as one common property and under one common management, and for one common set of owners, it would not only be impracticable but unjust to a degree to separate the earning and expenses of one from another.

The defendant submits and files herewith a schedule showing the earnings and costs of operation of its several passenger trains respectively for the months of December and November, 1897, and January, 1898, a copy of which is hereto annexed, marked Exhibit "B," and made a part of this answer. The said three months were more than average in point of business for the whole year, and therefore may be taken as fairly representative of the year; and this defendant alleges that the said statements are just and correct and show the true passenger earnings of the several trains of this defendant for the period therein stated, including the earnings from all interstate passenger business done by this defendant during the periods therein mentioned. And this defendant alleges that the actual average cost and expense of running and operating all trains upon its line of railroad for the fiscal year ending June 30, 1896, was 85 cents per mile run, and for the fiscal year ending June 30, 1897, was 86 cents per mile run; that as shown by the said statements only two of the passenger trains operated by this defendant under the present existing rates of passenger fares yield a profit, to-wit: trains Nos. 23 and 35, which are through trains from the North and operated by the Atlantic Coast Line system. of which this defendant is a member and component part, between Richmond, Va., and Charleston, S. C., and their profitableness grows out of the fact that they carry the through Southern travel. That even with the interstate business included, the reduction asked for in the complaint will cause all passenger trains of this defendant's line of railroad to be operated at a loss, and eliminating all interstate business from the calculation, the said loss will be still greater as the income from the passenger fares will not equal the actual running of the said trains economically.

The defendant denies that a full report of its operations rendered in any form will demonstrate that it is well able to stand the reduction of its domestic passenger fares contended for. That the rates which the plaintiff now asks the Board to fix for passenger fares is a nominal reduction of 23 per cent upon first-class fares and of 27 per cent upon second-class fares; and in reality it is a reduction of not less than 20 per cent upon both.

Statistics carefully compiled by this defendant from its books and business for the year 1896, show the following earnings and expenses at the present rate of fares of the passenger trains of the defendant for that year:

Receipts from passengers, per passenger train mile.....	\$0.72
Receipts from passenger train service, per passenger train mile, including mail and express.....	.96
Operating expenses per train mile.....	.85
Showing an actual deficit from passenger earnings of.....	.13
And a profit from all sources of.....	.11

And like statistics for the year 1897 from same sources show receipts	
from passengers, per passenger train mile .....	.66
Receipts from passenger train service, per passenger train mile, including mail and express .....	.92
Operating expenses per train mile .....	.86
Showing an actual deficit from passenger earnings of .....	.20
And a profit from all sources of .....	.06

And from these statistics, covering the operations of the defendant for the last two years, this Board can readily see that if the defendants were compelled to operate its passenger trains at the reduced rates of fare asked, they would not only produce no profit or net income whatsoever, but would be a source of positive loss to the defendant.

And for further answer, this defendant says that if it be true, as conceded in the complaint, that the "Nebraska Case" has definitely declared the law to be "That the reasonableness or unreasonableness of rates prescribed by a State for transportation of persons and property wholly within its limits must be determined without reference to the interstate business done by the carrier or to the profits derived from it" then that the interstate business done by this defendant and the profits derived from it after the payment of a proper proportion of its legitimate fixed charges, are not sufficient to pay what under the extreme views of the complainant would be a reasonable dividend upon the capital actually and bona fide invested in its business, as appears from Exhibit "C," hereto attached as part of this answer.

This defendant further avers that any reduction of its passenger rates, in the light of the facts and circumstances aforesaid, would be to deprive this defendant of its property without due process of law, and would deny to it the equal protection of the laws, and it expressly claims the protection of the Fourteenth Amendment to the Constitution of the United States.

EXHIBIT "A."

NORTH CAROLINA RAILROAD COMMISSION.

RALEIGH, February 21, 1898. •

CIRCULAR No. 80.

From and after the 23rd day of March, 1898, the fares for the transportation of passengers shall be as follows:

Two and one-half cents per mile for first-class tickets; two cents per mile for second-class tickets on the following railroads in North Carolina, to-wit:

The Wilmington and Weldon Railroad from Wilmington to Weldon, and that part of the Wilmington and Weldon Road from Contentnea to the South Carolina State line; the Petersburg Road from Weldon to the Virginia State line; that part of the

Tarboro branch from Rocky Mount to Tarboro, and the Norfolk and Carolina Railroad from Tarboro to the Virginia State line; the Raleigh and Gaston Railroad from Weldon to Raleigh; the Seaboard and Roanoke Railroad from Weldon to the Virginia State line, and the Raleigh and Augusta Air Line from Raleigh to Gibson; the North Carolina Railroad from Goldsboro to Charlotte; the Piedmont Railroad from Greensboro to the Virginia State line; that part of the Northwestern North Carolina Railroad from Greensboro to Winston; the Western North Carolina Railroad from Salisbury to Paint Rock; the Atlantic, Tennessee and Ohio Railroad from Charlotte to Statesville; the Atlanta and Charlotte Air Line Railroad from Charlotte to the South Carolina State line, and the Charlotte, Columbia and Augusta Railroad from Charlotte to the South Carolina State line.

By order of the Commission.

L. C. CALDWELL, Chairman;
JNO. H. PEARSON,
D. H. ABBOTT.

H. C. BROWN, Clerk.

EXHIBIT "C."

As to the assessed value—

Earnings—intrastate freight and passenger*	\$506,824.69
One-third expenses and taxes	377,596.70
Balance	129,227.99
2.35 per cent on assessed value of \$5,498,955.00.	

As to the capital—

Earnings	\$506,824.69
Seventy per cent operation	354,777.28
	125,047.41
One-third taxes	14,649.71
	137,397.70
One-third interest on funded debt, special trust certificates and equipment notes	88,545.63
	48,852.07
1.628 per cent on \$3,000,000.	

* Note that no deduction is made in this first statement for fixed charges.

EXHIBIT No "4."

Gross earnings from operation	\$1,874,813.65	
Of which domestic business furnishes .328, or	614,938.87	
Expenses of operation were \$1,088,840.98 of which .328 is	\$357,139.84	
Plus 10 per cent	35,713.98	392,853.82
		222,085.05
Lesss .328 of taxes		14,315.25
		207,796.80
Which is on the tax valuation of \$5,498,955.00	3.77 per cent	
On tax valuation of \$7,582,775.20	2.73 per cent	
On cost of road, \$10,802,242.00	1.92 per cent	
On cost of reproduction, \$10,292,000.00	1.01 per cent	
Now deduct .328 of fixed charges, and we have	\$207,769.80	
	87,128.89	
		120,640.91
Or on tax valuation of \$5,498,955.00	2.19 per cent	
Or on tax valuation of \$7,582,775.20	1.59 per cent	
On cost of road, \$10,802,242.00	1.11 per cent	
On cost of reproduction, \$10,292,000.00	1.15 per cent	

EXHIBIT No. "5."

QUARTERLY REPORT OF 1898.

Total earnings	\$559,439.81
Total operating expenses, not including taxes	311,855.95
Excess of earnings	247,583.86
Interstate freight	258,709.01
Domestic freight	110,597.85
Total	369,306.86
Interstate passenger	82,717.73
Domestic passenger	56,184.75
Total	138,902.48

Express	15,638.34
Mail	27,453.58
Miscellaneous	8,138.55
Total	51,230.47

Percentage of domestic freight and passenger—

Interstate freight	258,709.01
Interstate passenger	82,717.73
	341,426.74
Domestic freight	110,597.85
Domestic passenger	56,184.75
	166,782.60
	508,209.34

That is, domestic freight and passenger earnings are .328 of the whole, excluding mail, express and miscellaneous from both sides of the account.

Train No.

Train No.	NOVEMBER.		DECEMBER.		JANUARY.		TOTAL FOR THREE MONTHS.		Earnings per Train Mile.
	Earnings.	Mileage.	Earnings.	Mileage.	Earnings.	Mileage.	Earnings.	Mileage.	
23	\$4,126.55	5,190	\$5,480.55	5,363	\$6,955.55	5,363	\$15,662.65	15,916	98.40
24	3,121.15	5,190	3,619.80	5,363	3,619.80	5,363	11,397.65	15,916	71.61
25	3,126.80	5,190	3,667.60	5,363	3,667.95	5,363	9,302.35	15,916	58.45
26	3,121.15	5,190	3,667.60	5,363	3,667.95	5,363	17,612.65	15,916	110.85
27	4,677.60	3,750	6,337.95	3,875	6,337.10	3,875	15,507.15	11,500	45.28
28	1,621.60	3,750	2,037.35	3,875	1,548.20	3,875	4,754.50	11,500	41.34
29	1,616.10	3,750	1,524.70	3,875	1,614.80	3,875	8,541.35	12,788	66.78
30	2,488.50	4,170	3,184.05	4,309	2,928.80	4,309	10,353.85	12,788	80.96
31	2,751.55	4,170	4,635.30	4,309	2,967.00	4,309	1,132.85	4,266	26.55
32	396.40	1,404	407.60	1,458	564.25	1,404	1,637.15	4,266	38.37
33	593.10	1,404	569.80	1,458	564.25	1,404	235.45	731	32.21
34	89.45	247	58.83	247	87.17	247	437.77	732	59.81
35	144.20	247	162.05	247	131.52	238	353.20	516	68.45
36	88.85	169	135.40	178	128.95	169	360.05	516	69.77
37	94.95	169	146.80	178	116.30	169	127.81	449	28.46
38	41.28	149	53.90	150	32.63	150	84.61	451	18.76
39	27.68	150	22.58	150	34.35	151	2,020.48	6,809	29.28
40	753.00	2,288	722.65	2,349	544.83	2,262	2,665.30	6,899	38.63
41	838.40	2,288	1,036.65	2,349	786.25	2,262	294.30	850	34.62
42	79.85	286	95.25	282	119.20	282	110.78	829	13.36
43	86.55	286	12.90	261	11.33	282	3,489.18	7,426	46.98
44	983.00	2,444	1,302.60	2,538	1,203.58	2,444	3,566.60	7,426	48.42
45	1,021.50	2,444	1,275.55	2,538	1,269.55	2,444	2,530.39	6,256	40.44
46	794.48	2,444	886.39	2,108	879.52	2,108	2,562.85	6,256	46.96
47	777.29	2,040	875.97	2,108	909.59	2,108	410.37	85.31	85.31
48	145.58	162	137.92	163	126.87	156	387.10	86.47	86.47
49	133.43	163	133.40	162	120.27	156	776.73	2,000	38.84
50	271.35	650	255.26	675	250.12	675	875.35	2,000	43.76
51	294.71	650	300.77	675	279.85	675	368.68	3,374	98.57
52	111.58	123	120.80	128	130.30	123	100.15	106.14	106.14
53	116.48	124	149.02	129	134.05	124	144.68	377	11.93
54	33.05	292	29.95	292	41.68	293	18.27	75.86	8.86
55	30.11	293	27.42	270	18.27	292	126.78	866	14.64
56	47.33	292	45.95	293	33.50	281	2,366.62	1,193	9.85
57	32.80	293	31.72	292	20.97	281	695.37	1,993	36.55
58	1,041.95	2,064	931.87	2,103	2,300.62	2,114	5,452.08	1,997	90.91
Extra trains.					3,478.26				
Grand Total							\$16,599.11	186,200	62.61

"M." Mixed Trains.—One-fourth of mileage made by them allotted to Passenger Train mileage, as per instructions on State and Interstate annual reports.

Examination of Mr. W. A. Riach, General Auditor.

Col. Hinsdale:

Q. When you were last on the stand, Mr. Riach, we were just about going into the investigation of the mortgage bonds and certificates of indebtedness of the company. I observe in the report of the Commissioners, (on p. 49), that of the Wilmington and Weldon Railroad, there are out-standing \$3,062,000.00 general first mortgage bonds; \$938,000.00 general first mortgage bonds, and \$500,000.00 general first mortgage bonds. Will you give the history of these mortgages?

A. The \$3,062,000.00 was issued partly to refund old bonds that had been issued prior to the war—some of them since, and those since and those before also were used in extending the Company's operations, both as to building roads and acquiring equipment. The same explanation applies to the \$938,000.00, and they are now included in this sum which makes \$4,880,000.00. This other mortgage is a mortgage on the Albemarle and Raleigh Road.

Q. Why is it that, if the \$500,000.00 is on the Albemarle and Raleigh Road, it is recorded as "general first mortgage?"

A. On that road. That road was a separate company.

Q. Why is it not so stated in the report?

A. I do not know.

Q. The report is a little misleading, is it not?

A. I really can not explain that.

Q. Are you certain about the \$500,000.00?

A. Certainly.

Q. What is that road now?

A. Part of what we know as the Tarboro Branch.

Q. It was first a separate organization?

A. A portion of it, yes, from Tarboro to Wilmington.

Q. What was the last extension made by the Wilmington and Weldon Road?

A. I am not sure, probably the Nashville or the Wilson and Fayetteville.

Q. Were these first mortgage bonds expended in making that extension?

A. Oh, yes.

Q. What was the original debt which was refunded by some of these bonds?

A. I do not remember.

Q. Can you not refer to data by which you could tell. Would Poor's Manual give it?

A. That might.

(Mr. Riach reads from "Poor's Manual.")

Q. Was not all this funded debt expended in extensions?

A. How do you mean now? The difference between this and that? Yes.

Q. Can you give me any idea as to when this indebtedness was first made?

A. No, I do not know that I could.

Q. Before the war?

A. Yes. I know the Road had debts before the war; borrowed in London.

Q. What portion of this debt?

A. I can not tell you that.

Q. Was there any extension or branch constructed before the war?

A. I am not sure but the Tarboro Branch was. I think it was built before the war. I am not sure but that is my recollection.

Q. When, according to your recollection, was the Tarboro Branch built?

A. Prior to the war.

Q. Then it was only in the construction of the Wilmington and Weldon from Wilmington to Weldon and the Tarboro Branch that this funded debt was used?

A. Yes. It had no other possession at that time to use it on.

Q. In building what branches was the balance of the general first mortgage indebtedness used, after refunding what you called the funded debt?

A. Building the Scotland Neck Branch, the Nashville, the extension of the Albemarle and Raleigh Road (now know as the Tarboro), the Washington, the Midland, the Clinton Branch and the Wilson and Fayetteville Branch.

Mr. Elliott:

The whole of the \$4,000,000.00 was secured by a general mortgage of the Wilmington and Weldon Road; in that is included the \$938,000.00 that matured on the first of May, 1897 and when the \$4,000,000.00 were issued, \$938,000.00 were reserved, in order to meet those that matured in May, 1897, leaving the mortgage made in 1885 as the original first mortgage and only mortgage of the Wilmington and Weldon Road.

Q. Did this \$4,000,000.00 include the Albemarle and Raleigh?

A. No, sir. In the last few years, the Wilmington and Weldon and the Albemarle and Raleigh were consolidated and the Wilmington and Weldon took the Albemarle and Raleigh subject to a mortgage, and included the payment of those bonds as a part of the purchase price of the Albemarle and Raleigh.

Q. Mr. Riach can you tell what portion of this first mortgage was used in the construction of these branches?

A. No, sir.

Q. Can you refresh your memory in any way?

A. No, sir, that is too much.

Q. What information is obtainable at your office?

A. I do not know.

Q. Do not they require you to show how the money was expended?

A. Oh, yes, sir.

Q. How would you show it?

A. Simply show when the bonds were expended, when money was spent on each of those branches.

Q. So in that way it could be traced?

A. Oh, yes.

Q. I observe in the report (on p. 49), this item "Certificates of indebtedness—Wilmington and Weldon special trust certificates issued 1888, due 1937. Will you explain this item?

A. That was issued to buy stock in the Northeastern Road in South Carolina.

Q. Do I understand that the whole of this amount was used in that way?

A. Yes, sir.

Q. How much stock does the Wilmington and Weldon own?

A. It does not own it now.

Q. How much did it own?

A. The same face as that is.

Q. When was that purchased?

A. I think about 1887.

Q. Was it bought at par?

A. Yes, that is my recollection.

Q. What disposition has been made of it.

A. They sold it to the Atlantic Coast Line Company.

Q. For money or what?

(Mr. Burton asks why this question is asked.)

A. I do not remember that. I am not sure but I think they sold it for stock in the Atlantic Coast Line Company.

Q. Then the Wilmington and Weldon owns stock in the Atlantic Coast Line Company. How much did it acquire?

A. I do not remember what it got for that sale; that was sold along with other things. The stock was given to the owners of the Wilmington and Weldon.

Q. What other things?

A. Other stocks that the Wilmington and Weldon had acquired.

Q. What other stocks?

A. There was stock in other roads.

Q. Can you give the details?

A. No.

Q. What roads?

A. There was some in the Petersburg Road, and some in the Richmond and Petersburg Road.

Q. Is that all?

A. And some in the R. F. and P.

Q. Is that all?

A. That is all I can think about just now.

Q. Were you with the company then?

A. Oh, yes.

Q. What position did you occupy then?

A. The same as I do now—General Auditor.

Q. Then you were aware of this transaction?

A. Oh, yes.

Q. Can you not approximate the amount of stock owned by the Wilmington and Weldon?

A. No. I would not like to. That is too long ago.

Q. When was the sale made?

A. It must have been made some six or eight years ago.

Q. What became of the stock in the Atlantic Coast Line that the Wilmington and Weldon obtained in this way?

A. That was given to the stockholders of the Wilmington and Weldon Railroad.

Q. It was first owned by the company; when was it distributed among the stockholders?

A. About that time—six or eight years ago.

Q. You say that the Wilmington and Weldon sold the Northeastern stock and a number of other stocks to the Atlantic Coast Line and that it received from the Atlantic Coast Line a certain amount of its stock, and you say that that was about what time?

A. Six or eight years ago.

Q. Then how long after the Wilmington and Weldon Road acquired this Atlantic Coast Line stock was it before the Wilmington and Weldon divided or distributed it among its own stockholders?

A. Distributed it at once.

Q. Is there a full account of that in the printed report of the Wilmington and Weldon?

A. I judge so.

Q. Do you remember?

A. I really do not.

Chairman Caldwell :

Q. Any dividend being paid to the owners of that stock now?

A. Yes, sir.

Q. What amount?

A. I think they pay 5 per cent.

Col. Hinsdale :

Q. What is the Atlantic Coast Line?

A. That is a corporation chartered in Connecticut.

Q. What is its capital stock?

A. I think it is \$5,000,000.00.

Q. Has it all been paid in?

A. I am not familiar with that. I am not an officer in that company at all.

Q. When was it formed, organized?

A. Well, about the time this was, probably a little prior to that.

Q. So that these assets were just sunk out of the hands of the Wilmington and Weldon. Did they not just pass from the Wilmington and Weldon as a corporation into the hands of the stockholders?

A. They were divided in the shape of stock dividends.

Q. As a stock dividend?

A. Yes.

Q. Why were the "Special trust certificates" so called?

A. Issued for that special purpose, to acquire that Northeastern stock.

Q. In whose hands is that certificate of indebtedness held?

A. I do not know, they are liable to be transferred.

Q. Please explain this item—"Wilmington and Weldon certificates of indebtedness, \$2,500,000.00"?

A. These were certificates issued to the stockholders of the Wilmington and Weldon Road to represent profits that had accrued, but had not been paid to the stockholders.

Q. What had been done with it?

A. The profits were used in the company's extension and equipments; part of it went into building those branches and other betterments of the company.

Q. So it represents nothing that was paid into the company at that time?

A. It represents profits that the stockholders did not get theretofore.

Mr. Burton :

Q. They were issued when?

A. They were issued in 1886 or 1887; along thereabout. I think it was the fall of 1886.

Col. Hinsdale :

Q. Do you know how the editor of Poor's Manual obtains the reports from the different companies?

A. He gets copies from the companies, I think. All that he publishes, however, is not obtained from reports—they make compilations themselves and gather different information from different publications—so all that is in there is not obtained from railroad companies.

Q. I observe in the report of the Wilmington and Weldon system in Poor's Manual for 1893, (p. 683), that the Wilmington and Weldon Railroad Company in June, 1890, owned sundry investments amounting to \$3,221,082.00; that in June, 1891, the Wilmington and Weldon Road owned sundry investments amounting to \$2,751,174.00, and that in 1892 the Wilmington and Weldon Road owned no sundry investments. Can you explain that?

A. That is the stock that I spoke of, that we sold to the Atlantic Coast Line, for which the stockholders got Atlantic Coast Line stock.

Q. Can you undertake to say how the difference of about \$500,000 between their holdings in 1890 and 1891 occurred?

A. I see an increase of the —— debt at that time over previous year.

Q. Is there any connection between those two?

A. I think it is very likely. In my judgment there would be.

Q. How?

A. They might have been desirous of acquiring some property and gone into debt to get it.

Q. If the investments were less in 1891 than in 1890 that indicates a sale and receipt of money. How can the receipt of money have any bearing upon an increase of indebtedness?

A. I do not know, unless they were spending money.

Q. Can you see any relation between those figures?

A. Not as they show here.

Q. You can not explain what became of that \$500,000 of investments?

A. No, sir.

Q. I understand then that it was the \$2,751,174.00 investments that were sold to the Atlantic Coast Line?

A. No, I would not say that. I would say that it was that or a portion of that.

Q. If it was not all, what became of the balance?

A. I do not know—I do not recollect. I would have to have an itemized statement before I could answer that question.

Q. Now then as to the stock—what was the original stock capitalization of the Wilmington and Weldon?

A. I do not recollect.

Q. What was it as far back as you can remember?

A. I think it was about two millions.

Q. What is it now?

A. Three millions.

Q. When increased?

A. It was increased from time to time. My first recollection is that an increase was along about probably 1883 or 1884.

Q. Was it not as much as about fifteen hundred thousand?

A. That must have been away back, before my time. I went with the road in 1882.

Q. In that very year, 1882, was it not increased from \$456,200.00 to \$2,082,400.00?

A. I think it very likely.

Q. What was that increase for?

A. To build a portion of the Scotland Neck branch.

Q. And stock was sold and money appropriated for that purpose?

A. Yes, sir.

Q. I ask you if in 1885 it was not increased to \$110,000.00?

A. I should think it very probably.

Q. And in 1886 to \$2,500,000.00?

A. Yes, I think it very likely because we were making extensions.

Q. For what purpose was this amount, the increase, expended?

A. I know that the Wilson and Fayetteville extension was going on then.

Q. Do you know when the increase was from \$2,500,000.00 to \$3,000,000.00, its present capital stock?

A. No, not unless I had something to refresh my memory.

Q. Do you recollect for what extension on what road this last increase of \$500,000.00 was made?

A. In 1890?

Q. Yes?

A. No, I can not recollect that.

Q. At what price was this stock issued; these several increases of stock?

A. I remember some of it being sold about 130, and I think some of it sold as high as 160.

Q. It was not issued at par?

A. Oh, no. All the money was put into the treasury and expended in the ways I have already indicated.

Q. Do you know, sir, that from the year 1877-78 that the gross earnings of the Wilmington and Weldon Railroad Company have gradually increased from \$488,448.00 of that year to \$1,872,817.00 in the last year?

A. Yes.

Q. Been a steady increase?

A. Yes, a steady increase, because of its increased business from points south of it to points north and east of it, and because of its ————. That is where the greater portion of its increase came from.

Q. There has been this steady increase?

A. Yes, sir.

Examination of Mr. Riach concluded.

The petition of D. L. Russell, Governor, is granted, and order is issued as follows:

ORDER No. 98.

Raleigh, N. C., July 13, 1898.

On and after the 13th day of August, 1898, the maximum charge for the transportation of passengers over the Wilmington and Weldon Railroad shall not exceed 2½ cents per mile for first-class tickets and 2 cents per mile for second-class tickets.

By order of the Commission.

L. C. CALDWELL, Chairman.

H. C. BROWN, Clerk.

Subsequent order is issued as follows:

Raleigh, N. C., September 30, 1898.

Whereas, on July 13, 1898, the following order was made:

ORDER No. 98.

On and after the 13th day of August, 1898, the maximum charge for the transportation of passengers over the Wilmington and Weldon Railroad shall not exceed $2\frac{1}{2}$ cents per mile for first-class tickets, and 2 cents per mile for second-class tickets; and, whereas, it was intended by the words, "Wilmington and Weldon Railroad" in said order, to refer to the Wilmington and Weldon Railroad between Wilmington and Weldon.

And whereas, by one construction of the order as inadvertently drawn, it may be supposed that it was intended that the reduction should extend to the branches of the said road as well.

Now, therefore, it is ordered that the said order be amended so as to read as follows:

ORDER No. 98.

On and after the 13th day of August, 1898, the maximum charge for the transportation of intrastate passengers over the Wilmington and Weldon Railroad, on the main line between Wilmington and Weldon, shall not exceed $2\frac{1}{2}$ cents per mile for first-class tickets and 2 cents per mile for second-class tickets.

By order of the Commission.

(Signed) L. C. CALDWELL, Chairman,
(Signed) JOHN H. PEARSON,
(Signed) D. H. ABBOTT.

H. C. BROWN, Clerk.

EXCEPTIONS BY DEFENDANT.

DANIEL L. RUSSELL, Governor.

vs.

THE WILMINGTON AND WELDON RAILROAD COMPANY.

The defendant, the Wilmington and Weldon Railroad Company, excepts to the order of the Board of Railroad Commissioners, No. 98, made July 13, 1898, whereby the fares for the transportation of passengers on its lines on and after August 13, 1898, are reduced from $3\frac{1}{4}$ cents to $2\frac{1}{2}$ cents per mile for first-class passengers, and from $2\frac{3}{4}$ to 2 cents per mile for second-class passengers, and assigns the following grounds of exceptions:

1. That the rates fixed by said order are not just and reasonable rates.
2. That the said order will result in compelling the defendant to operate its passenger trains at a loss.
3. That the said order will cause a heavy loss to the defendant in the reduc-

tion of its passenger fares and prevent it from earning enough on its domestic business to pay expenses and a trifling percentage to its stockholders.

4. That the said order discriminates against the defendant, in that its rates are reduced, while at the same time the Commission has not reduced rates on the other railroads in the State.

5. That the enforcement of said order will deprive the defendant of its property without due process of law, and deny to it the equal protection of the laws, contrary to the provisions of the Fourteenth Amendment to the Constitution of the United States; and the defendant expressly claims the protection of said Amendment.

THE WILMINGTON AND WELDON RAILROAD COMPANY,

By R. O. BURTON, Counsel.

July 20, 1898.

Exceptions overruled. Defendant gives notice of appeal.

APPLICATION FOR RESTRAINING ORDER—IN THE CIRCUIT COURT
OF THE UNITED STATES, FOR THE EASTERN DISTRICT OF
NORTH CAROLINA—IN EQUITY—ORIGINAL BILL.

THE WILMINGTON AND WELDON RAILROAD COMPANY

vs.

THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF
NORTH CAROLINA, L. CAMPBELL CALDWELL, JOHN H. PEAR-
SON, DeLEON H. ABBOTT AND ZEBULON V. WALSER, AND W. J.
LEARY, W. E. DANIEL, WHEELER MARTIN, E. W. POU, M. C.
RICHARDSON AND H. F. SEAWALL.

To the Honorable the Judges of the Circuit Court of the United States for the
Eastern District of North Carolina:

The Wilmington and Weldon Railroad Company, a corporation created by and existing under the laws of the State of North Carolina, brings this its bill of complaint against the Board of Railroad Commissioners for the State of North Carolina, and against L. Campbell Caldwell, Chairman, John H. Pearson and DeLeon H. Abbott, constituting and composing the said Board of Railroad Commissioners of the State of North Carolina, and Zebulon V. Walser, Attorney-General of the said State of North Carolina, W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall, Solicitors of the State of North Carolina.

And thereupon your orator complains and alleges:

First. That your orator is a corporation duly created and existing under and by virtue of an act of the General Assembly of the said State of North Carolina, entitled "An Act to incorporate the Wilmington and Raleigh Railroad Company," ratified on or about January 3, 1884, and subsequent acts of the said General Assembly of the said State of North Carolina, amendatory thereof, including an act entitled "An Act concerning the Wilmington and Raleigh Railroad Company," ratified February 14, 1885, under which the name of said company was changed to the Wilmington and Weldon Railroad Company; and that your orator is a citizen and resident of the said State of North Carolina and of the Eastern District thereof, having its principal place of business in the city of Wilmington, in the county of New Hanover, in said State and District.

Second. That the defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constitute the Board of Railroad Commissioners of the said State of North Carolina, the said L. Campbell Caldwell being Chairman thereof, and their office and official place of business is in the city of Raleigh, in the said State of North Carolina, and in the Eastern District thereof. That the defendant DeLeon H. Abbott is a citizen and resident of the said Eastern District of North Carolina, and the defendants L. Campbell Caldwell and John H. Pearson are citizens and residents of the State of North Carolina. That the said L. Campbell Caldwell and John H. Pearson became and were duly appointed members of the said Board of Railroad Commissioners in or about the month of September, 1897. That the defendant Zebulon V. Walser is the Attorney-General of the said State of North Carolina, and is a citizen and resident of said State, and is one of the officers designated and mentioned in the act hereinafter referred to and mentioned to prosecute claims against railroad companies in said State of North Carolina for the enforcement of penalties as prescribed by and in the said act upon their refusal to comply with the orders of the said Board of Railroad Commissioners acting by and under the said act.

That the said W. J. Leary is the Solicitor of the State of North Carolina in and for the First Judicial District of the said State; that the said W. E. Daniel is the Solicitor for the Second Judicial District of the said State; that the defendant Wheeler Martin is Solicitor for the said State in the Third Judicial District of said State; that the defendant E. W. Pou is the Solicitor for the said State in the Fourth Judicial District of the said State; that the said M. C. Richardson is the Solicitor for the State in the Sixth Judicial District of the said State, and that the said H. F. Seawall is the Solicitor for the State in the Seventh Judicial District of the said State.

That the said W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall are all citizens and residents of the said State of North Carolina, and are of the officers designated and mentioned in the act hereinafter referred to, being the Railroad Commission Act, to prosecute claims against railroad companies in the said State of North Carolina, for the enforcement of penalties as prescribed by and in the said act upon their neglect or refusal to comply with the orders, rules and regulations of the said Board of Railroad Commissioners acting by and under the said act.

Third. That on or about the 5th day of March, A. D. 1891, the General Assembly of the said State of North Carolina passed an act entitled "An Act to provide for the general supervision of railroads, steamboat or canal companies, express and telegraph companies doing business in the State of North Carolina," and being "chapter 320 of the Laws of North Carolina for the session of 1891." That thereafter the said act was amended or supplemented by acts of said General Assembly of North Carolina, ratified on the following dates: April 1, 1891; February 9, 1893; March 6, 1893, and February 14, 1893; to which said acts and amendments your orator begs leave to refer, and by reference include herein with the same force and effect as though the same were here set forth at length. The said act, ratified March 5, 1891, as amended by subsequent acts, provides for an election by the General Assembly of the State of North Carolina of three Commissioners, who shall be charged with the general supervision of all railroad companies doing business in the State of North Carolina, and shall fix and regulate the rates and charges of the said railroad companies, and to that end the said Commissioners are empowered to make reasonable and

just rates of freight and passenger tariffs, and to cause the same to be observed and followed by any and all railroad companies doing business in the State of North Carolina.

The said act provides as follows:

"That the said Commissioners appointed as hereinbefore provided shall, as hereinafter provided, make reasonable and just rates of freight and passenger tariff, or cause the same to be furnished by any railroad companies, and the same approved by said Commissioners shall be observed by such company or companies doing business in this State; and in making said rates they shall, unless such railroad company or companies shall fail to furnish the needed information, consider as far as practicable the actual value of the employed capital of the corporation, the earnings of the railroad and the cost of operating the same, the competition of rival lines of water and transportation companies within the State, and any and all other matters proper to be considered by them."

The said act further provides that, in the event of any neglect or refusal on the part of any railroad company to comply with any rule, regulation or order of the said Railroad Commissioners, made in pursuance of said act, a penalty shall be incurred by such railroad companies so refusing, to be collected by suit in the manner set forth in the said act. And the said act provides that the said Railroad Commissioners shall institute such action for the recovery of said penalties through the Attorney General or the Solicitor of the Judicial District in which such violation has occurred; and that the line of the defendant's railroad runs through the First, Second, Third, Fourth, Sixth and Seventh Judicial Districts of the State, of which the defendants W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall are Solicitors, respectively, as hereinbefore stated.

Fourth. That the defendants L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott now form and constitute the Board of Railroad Commissioners of the State of North Carolina under the provisions of the said act, and that the said L. Campbell Caldwell is Chairman of the said Board.

Fifth. That the amount involved in this suit is over two thousand dollars, exclusive of interest and costs, and that this suit is one arising under the Constitution of the United States.

Sixth. Your orator further shows that the rate fixed by the former Board of Railroad Commissioners, as constituted before the appointment of the said Caldwell and Pearson upon the said Board, for the transportation of passengers, over the line of your orator's railroad company in said State, as well as over all other railroad lines in said State, has been for some time and still is $3\frac{1}{4}$ cents per mile for first class passengers, and $2\frac{1}{4}$ cents per mile for second-class passengers. These are just and reasonable rates, and they have been so repeatedly adjudged by the Board of Railroad Commissioners of the said State, after due deliberation and consideration, and they have proven to be so during the several years they have been in operation. That this question of the reduction of the old rates was brought before the former Board of Railroad Commissioners in the year 1896, and earnestly and zealously urged and insisted upon, and the said Board, upon the evidence produced before it upon the question, after grave and mature deliberation, decided that the present rates of passenger fares, as prescribed by the Board and existing, were only just and reasonable; and in this connection the said Board, in the report which they made, in com-

pliance with the act of the General Assembly of this State creating the said Board, to the Governor of North Carolina, under date of December 31, 1896, used the following language, to-wit: "A statement which follows shows the local rates in different States, varying from 4 cents per mile in Florida to 3 cents in Pennsylvania, and $2\frac{3}{4}$ cents in Massachusetts. When it is considered that the population in Massachusetts is 309 per square mile, and of Pennsylvania 123 per square mile, as compared with a population of only 33 per square mile in North Carolina, the established rates of $3\frac{1}{4}$ cents first-class and $2\frac{3}{4}$ cents second-class in this State are certainly relatively very much lower than the rates of 3 cents and $2\frac{3}{4}$ cents, respectively, in Pennsylvania and Massachusetts. Comparing the passenger traffic of the important railroads of the North and West with the traffic of the roads in North Carolina, it will be seen that the passenger rates charged in this State are now very much lower, in proportion to the volume of traffic, than the rates in other sections of the country."

That the said Board of Railroad Commissioners was then composed of James W. Wilson, Chairman; Eugene C. Beddingfield and S. Otho Wilson. That afterwards, in the month of July, 1897, the said Board of Railroad Commissioners, being then composed of James W. Wilson, Chairman, and S. Otho Wilson and D. H. Abbott, with a view to a further investigation of the same matter, required the several railroad companies of this State, including this defendant, to appear before it on the 13th day of July, 1897, and show cause in writing why a revision of the freight and passenger tariffs should not be made; and the Governor of the State, the Honorable D. L. Russell, and others, were especially invited to be present at the hearing and present their views or any information or facts in their possession touching the matter; that at the hearing, on the said 13th of July, 1897, communications from the Governor and others were presented and read, advocating the reduction of both passenger and freight tariffs. The Commission, "after a most painstaking investigation of the rates of passenger and freights as they now exist and in comparison with previous years," upon the hearing refused to disturb the said rates and adjudged as follows: "They also find that the passenger rates, as a general thing, are as low, if not lower, than that of any other State of a like population to the square mile; and the freight rates will, as a whole, compare most favorably with any State in the Union. As a proof of this, reference is made to a most careful and accurate report of rates in all the States, given this day to the press and now on file in this office.

"The Commission, from the above facts, together with others elicited by the recent discussion, see no good reason for changing their views as expressed in their last report, but do reiterate that the present rates are just and reasonable, and such as were contemplated in the act creating the Commission, and will make no change at present time."

Seventh. That on or about the 21st day of February, 1898, the said Board of Railroad Commissioners of the State of North Carolina, at that time composed of the defendants L. Campbell Caldwell, Chairman; John H. Pearson and DeLeon H. Abbott, adopted, passed and promulgated an order, a copy of which is hereunto annexed, marked Exhibit "A," which the complainant prays may be taken as a part of this bill, and which said order by its terms was to go and be put into force and effect on and after the 23d day of March, 1898. Under and by virtue of the said order, the rates of fare for passengers were reduced on and after the 23d of March, 1898, over the main line of the railroad of your ora-

tor in this State, and on most of the railroads of the State, from $3\frac{1}{4}$ cents per mile for first-class passengers to $2\frac{1}{2}$ cents per mile for first-class passengers, and from $2\frac{3}{4}$ cents per mile for second-class passengers to 2 cents per mile for second-class passengers. That thereafter, to-wit, on or about the 1st day of March, 1898, as ordered and authorized by section 7 of the said act of March 5, A. D. 1891, your orator duly filed with the said Board of Railroad Commissioners exceptions to the said order reducing the passenger rates as aforesaid; and on the 17th day of March, 1898, the said Board of Railroad Commissioners overruled said exceptions and refused to restore the old rates for passenger fares, and also to alter or interfere with the said new rates for passenger fares so fixed by them. That afterwards the said Board of Railroad Commissioners, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, passed and promulgated an order to the effect that the said order reducing the rates of passenger fares should be suspended until the 1st of April, 1898, and not go into force and effect until that day as to such railroad companies as should make application to the said Board for such postponement of said order; that your orator duly made application for such suspension and postponement of said order, which was granted by the said Board of Railroad Commissioners.

Thereafter, at the meeting of the said Board of Railroad Commissioners held on or about the 30th day of March, 1898, the said order No. 80 was rescinded and the old rates of passenger fare continued in effect. In deciding this question, the defendant DeLeon H. Abbott voted in favor of rescinding, and the defendant John H. Pearson against it, and the deciding vote was cast by said Caldwell, and in a letter to the Governor, who had appointed him to the office, dated March 30, 1898, the said Caldwell explained his vote and declared that his original vote to reduce rates was wrong, and that duty demanded at his hands that the wrong to himself, the people and the railways be corrected; and he then stated to the Governor that his resignation was at his disposal.

Thereafter, on the 2d of April, 1898, the said Caldwell wrote a letter to the Governor withdrawing the tender of his resignation of his office as Railroad Commissioner and several letters passed between the Governor and himself, the Governor insisting upon his resignation, and the said Caldwell declining to resign; that no proceedings were taken to follow up his so-called resignation and no successor was appointed to fill the alleged vacancy, and the said Caldwell is still a member and Chairman of the said Board.

On the 20th of April, 1898, said Daniel L. Russell, Governor, as aforesaid, filed through counsel a complaint against each of the following roads, to-wit: The North Carolina Railroad Company, the Raleigh and Gaston Railroad Company and against your orator, the Wilmington and Weldon Railroad Company, all of which are in general outline the same, and in each of which he asked that the aforesaid reduction of rates should be made; that is to say, from $3\frac{1}{4}$ cents per mile for first-class passengers, to $2\frac{1}{2}$ cents per mile, and from $2\frac{3}{4}$ cents per mile for second-class passengers to 2 cents per mile--a copy of the said complaint is hereto attached, marked "Exhibit No. 1," which your orator prays may be taken as a part of this bill; to which said complaint your orator filed an answer, a copy of which is hereto annexed, marked "Exhibit No. 2," which your orator prays may be taken as a part of this bill.

That upon the hearing of the said matter, which was set down for the 13th day of July, 1898, the said Railroad Commission, the said Caldwell and Pearson voting in the affirmative and Abbott in the negative, ordered a reduction of passenger rates

on all the lines of your orator to $2\frac{1}{2}$ cents per mile for first-class passengers and 2 cents per mile for second-class passengers, but the said Board refused to reduce the passenger rates upon the line of the North Carolina Railroad and declining to give any decision in the case of the Raleigh and Gaston Railroad Company continued the same indefinitely. Moreover the rates have been reduced below $3\frac{1}{4}$ and $2\frac{3}{4}$ cents per mile, respectively, on no other railroad in the State.

That during the period elapsing since the 30th of March, 1898, when the said Board of Commissioners rescinded its former order reducing the passenger rates over most of the railroads in the State, and when said Caldwell declared that his original vote to reduce the rates was wrong and that duty demanded at his hands that the wrong to himself, the people and the railways be corrected, there has been no such change in the general condition of affairs, or in the business or earnings of your orator, or in the existing circumstances as to warrant any such decided change of opinion on the part of said Caldwell, or in the reduction of the passenger rates over your orator's line of railroad.

As shown from the reports filed by the said three railroad companies in the year 1897 before the said Railroad Commission, the total gross receipts of the Wilmington and Weldon Railroad Company were \$1,874,813.65; of the North Carolina Railroad Company \$1,592,217.93; and of the Raleigh and Gaston Railroad Company \$602,304.23; the total receipts from passenger service of the Wilmington and Weldon Railroad Company, as shown by the same report, was \$590,494.76; of the North Carolina Railroad Company \$636,861.05, and of the Raleigh and Gaston Railroad Company \$142,636.84; the total mileage of the said companies is as follows: the Wilmington and Weldon Railroad Company 610 miles, the North Carolina Railroad Company 221.65 miles, the Raleigh and Gaston Railroad Company 107 miles; the total gross receipts per mile of the said three roads are as follows: the Wilmington and Weldon Railroad Company \$3,073, North Carolina Railroad Company \$7,183.44, Raleigh and Gaston Railroad Company \$5,629. That the said railroads are in as prosperous condition as is your orator, run under substantially the same conditions and under substantially the same circumstances, and your orator submits that the said Commission has unlawfully discriminated against your orator and denied to it the equal protection of the laws, contrary to the Fourteenth Amendment to the Constitution of the United States in reducing its rate and refusing to reduce those on the said North Carolina Railroad Company. That the following is the mileage of the lines of railroad owned and operated by your orator in the State of North Carolina :

	Miles
The main line from Wilmington to Weldon.....	161.40
Tarboro Branch.....	67.71
Scotland Neck or Kinston Branch.....	85.82
Midland Branch.....	21.50
Wilson and Fayetteville Branch—Short Cut.....	116.20
Nashville Branch.....	19.20
Clinton Branch.....	13.43
Washington Branch.....	25.39
Spurs to Mills and Factories.....	10.20
	<hr/> 520.85
Newbern Branch (acquired in fall of 1897).....	90.03

Said lines of railroad were judiciously located and economically constructed. They have at all times been economically managed and operated by your orator.

It cost to construct and equip the 520.85 miles above named, with yards, station grounds, buildings and terminal facilities, over \$10,802,242. It cost to construct and equip the Newbern Branch, as shown by its reports to the said Board of Commissioners, over \$2,396,896. It would cost now to construct, equip and replace the lines of railroad of your orator, including the said Newbern Branch, at least \$10,292,000 upon a very moderate estimate.

That there are outstanding mortgage bonds on your orator's roads outside of the Newbern Branch as follows :

General first mortgage.....	\$4, 000, 000. 00
Mortgages on Albemarle and Raleigh or Tarboro Branch....	500, 000. 00
	<hr/>
	4, 500, 000. 00
And special trust certificates of indebtedness.....	380, 000. 00
	<hr/>
	4, 880, 000. 00

And in addition to this the capital stock of your orator is three millions of dollars' and it has in addition to that outstanding certificates of indebtedness amounting to two millions, five hundred thousand dollars upon which it is liable for interest at seven per centum per annum, and such interest is a legitimate fixed charge if earned, and takes precedence over the payment of any dividend to its stockholders. All of said first two items were incurred in the construction of and equipment of portions of your orator's road, and the whole thereof was expended thereon. The \$360,000 debt was incurred in purchasing a controlling interest in the Northeastern Railroad of South Carolina, a necessary and valuable outlet for the business of your orator's road.

The following is a correct statement of the earnings from operation and operating expenses of your orator's road for the year ending June 30, 1897 :

Gross earnings from operations.....	\$1, 874, 813. 65
Less operating expenses.....	1, 088, 840. 98
	<hr/>
Income from operation.....	785, 976. 67

About .328 per cent of the gross earnings were from domestic business.

Your orator appends hereto a schedule marked "Exhibit No. 4," which correctly shows the net receipts from domestic or intrastate business for the said year ending June 30, 1897, after deducting its proper proportion of taxes, fixed charges, etc. In said schedule the additional cost of domestic business is put at 10 per cent, which is a reasonable estimate, and the percentage of .328 which is taken in said exhibit as a fair proportion of the domestic business is taken from the quarterly statement of the business for the months of January, February and March, 1898, as shown in "Exhibit 5," and, while not entirely accurate, is a fair estimate and proportion for the entire business of the year 1897, and the closest approximation to the actual results that your orator can now arrive at. The said road and its branches were assessed for taxation for the year ending June 1, 1897, at \$5,017,425.00, and the total amount of taxes paid was \$44,032.10.

For the year ending June 1, 1898, the assessment was \$5,880,050.00, and the total taxes were \$55,952.71.

For the year ending June 1, 1899, the assessment was increased to \$7,582,775.20, and the taxes due thereon will be \$.....

Your orator's report for the year ending June 30, 1898, is not yet completed, but the same will be completed and filed by September 1, 1898, as required by law.

While the same will show some increase of business, it will not furnish any reason why the relief prayed herein shall not be granted. No year prior to the year 1896 and 1897 was so profitable as said year, and it is therefore chosen for illustration in the figures aforesaid.

But in obedience to the order of the said Board of Railroad Commissioners, your orator filed with the said Board on the — day of July, 1898, a report of the operations for the months of January, February and March, 1898, which includes the branch of 87.25 miles, known as the Newbern Branch, acquired by your orator in the fall of 1897.

Your orator protests that said three busy months can not be fairly taken as a representative of the entire year, but it inserts below a statement based on "Exhibit 5," hereto attached as part of this bill, and also based on the assumption that said showing will hold during the year. In said statement 20 per cent of mail, express and miscellaneous matter are put down as domestic business, and your orator alleges that the same is a reasonable percentage to credit to the same, and it believes it is as much as the facts will justify. Your orator alleges that the proposed reduction of rates, which averages 25 per cent of the present rates, will not only affect domestic rates, but also interstate rates, insomuch as the latter are based on a just and fair scale in proportion to the local rates, so that the proposed reduction will reduce the earnings of your orator, as it is believed, at least \$104,176.86 annually, as estimated upon the earnings of your orator for the year 1898, based upon the calculations made from the quarterly report of 1898 herein referred to. Taking the figures included in these exhibits as a basis and apportioning mail, express and miscellaneous items on a ratio of 20 per cent to domestic business, we have the following showing, which your orator alleges is just and fair:

Total freight and passenger earnings.....	\$508,209.34	
Mail, express and miscellaneous.....	51,230.47	
Grand total.....	559,439.81	
Domestic freight and passenger.....	166,782.60	
Add 20 per cent of mail, express and miscellaneous.....	10,246.08	
Four times this for whole year.....	177,028.68	
	4	
Is.....	708,114.72	
Deduct .328 of operating expenses (\$1,247,423.80) ..	\$409,154.74	
Plus 10 per cent.....	40,915.47	450,070.21
		258,044.51
Less .338 of taxes.....		18,315.66
		239,728.85
		Per cent.
Which is on former tax valuation of \$5,498,955.00.....		4.36
On tax valuation of \$7,582,775.00.....		3.16
On cost of road \$10,803,242.00.....		2.21
On cost of reproduction \$10,292,000.00, including Newbern Branch.....		2.33
On cost of road, including Newbern Branch, \$13,199,138.00....		1.82

Now if we deduct .328 of the fixed charges from \$239,728.85 we have the following:

	\$239,728.85
Less .328 of the fixed charges.....	87,128.89
	152,599.96
	Per cent.
Which is on former tax valuation of \$5,498,955.00.....	2.77
On tax valuation of \$7,582,775.00.....	2.01
On cost of road \$10,802,242.00.....	1.41
On cost of reproduction \$10,292,000.00.....	1.48
On cost of road with Newbern Branch \$13,199,138.00.....	1.15

And in these estimates or calculations no account is taken or made as to the interest on the \$2,500,000.00 in certificates of indebtedness which are described above, but your orator claims, and is advised, that such interest should be considered by this Honorable Court as a legitimate fixed charge.

Tenth.—That the said new rates of passenger fares so prescribed by the said order will, therefore, go into effect and become operative on and after the 13th day of August, A. D. 1898, unless the said Board of Railroad Commissioners and the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott be commanded and enjoined by this Honorable Court to restore the old rates of passenger fares which were in force and effect prior to the promulgation of said order, and to suspend the operation and effect of the said order until the further order of this Honorable Court.

Eleventh.—That your orator files herewith a schedule showing the earnings and cost of operation of its several passenger trains, respectively, for the months of December and November, 1897, and January, 1898, marked "Exhibit No. 8," which your orator prays may be taken as a part of this bill of complaint. The said three months were fully an average in point of business for the whole year, and, therefore, may be taken as fairly representative of the year, and your orator alleges that the said statements are just and correct, and show the true earnings of the several trains of your orator for the period therein stated, including the earnings from all interstate passenger business done by your orator during the periods therein mentioned. And your orator alleges that the actual average cost and expense of running and operating all trains upon its line of railroad for the fiscal year ending June 30, 1896, was 85 cents per mile run, and for the fiscal year ending June 30, 1897, was 86 cents per mile run; that as shown by the said statement only two of the passenger trains operated by your orator under the present existing rates of passenger fares yield a profit, to-wit, trains Nos. 23 and 35, which are through trains from the north and operated by the Atlantic Coast Line system, of which your orator is a member and component part, between Richmond, Va., and Charleston, S. C., and their profitableness grows out of the fact that they carry the through Southern travel. That even with the interstate business included, the reduction such as is prescribed by the said Board of Railroad Commissioners, and which is a nominal reduction of 23 per cent upon the existing first-class fares and of 27 per cent upon second-class fares, and is in reality and effect a reduction of 20 per cent or more as applied to both, when there is taken into consideration the reduced fares now given to excursions, fairs, conventions, public meetings, ministers of the Gospel, etc., will cause all the passenger trains of your orator's line of railroad to be operated at a loss, and eliminating all interstate business from the calculation, the

said loss will be still greater as the income from the passenger fares will not equal the actual running of said trains economically.

Twelfth.—That the fares prescribed in the said order so promulgated by the said Board of Railroad Commissioners are not just and reasonable in that they are unreasonably low, and their enforcement will deny unto your orator due process of law and the equal protection of the laws, which is the constitutional right of your orator, and that the attempt to enforce the rates set forth in the said order will be a confiscation of property. Wherefore, your orator expressly claims that the enforcement of the said order will be in violation of the fourteenth amendment to the Constitution of the United States. That unless the said Board of Railroad Commissioners and the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott are commanded and enjoined by this Honorable Court to restore and put into effect the said old rates of passenger fares existing prior to the promulgation of the said order, and to rescind or suspend the operation of the said order until the further hearing of this cause, your orator cannot refuse to comply with the said order and to put the said passenger rates into effect over its lines of railway without incurring the heavy penalties prescribed in the said Act of the 5th of March, 1891, which would attach for violation by your said orator of the said order; and that if your said orator, in obedience to the said order, should reduce the passenger fares over its said line of railroad in accordance with the said order, the effect thereof would be to cause a heavy diminution in its earnings and revenue, to the serious injury and detriment of your orator and all of your orator's stockholders, the extent of which cannot now be justly estimated.

Thirteenth.—That it is provided in and by the said Act of March 5th, 1891, as follows:

“SECTION 10. That if any railroad company doing business in this State by its agents or employees shall be guilty of a violation of the rules and regulations provided and prescribed by said Commissioners, and if, after due notice of such violation, given to the principal officer thereof, if residing in the State, and if not, to the manager, or superintendent, or secretary, or treasurer, if residing in the State, and if not, then to any local agent thereof, ample and full recompense for the wrong or injury done thereby to any person or corporation as may be directed by said Commissioners shall not be made within thirty days from the time of such notice, such company shall incur a penalty for each offense of not less than fifty dollars nor more than five thousand dollars, to be fixed by the judge of the court in which such action shall be tried. An action for the recovery of such penalties shall lie in any county in the State where such violation has occurred or wrong has been perpetrated, and shall be in the name of the State of North Carolina. The Commissioners shall institute such action through the Attorney General or Solicitor of the judicial district in which violation has occurred, whose fees shall be fixed by the judge of the court in which said action shall be determined, and said fees shall be taxed in the bill of costs.”

And that unless restrained by the order of this Honorable Court, your orator can not refuse to comply with the said order reducing the rates of passenger fares so promulgated by the said Board of Railroad Commissioners, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, except at the risk of a multitude of suits which will be instituted against it under and in pursuance of the foregoing provisions of the said act for violation of the proceedings of the said order.

Wherefore, your orator prays that the said Board of Railroad Commissioners, the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, and the said

Zebulon V. Walser and W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall be made parties defendant to this bill, and that subpoena thereon may issue in due course, and that each of the said defendants be required to answer this bill according to the usual practice of this Honorable Court, but without oath, an answer under oath being hereby expressly waived; that on the hearing the unreasonableness and injustice of the said rates of fare for the transportation of passengers over the lines of your orator's railroad sought to be enforced by said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the Board of Railroad Commissioners of the State of North Carolina, be adjudged unjust and unreasonable and contrary to law and equity, and that in the meantime your Honors may order the issuance of the writ of injunction commanding and enjoining the said Board of Railroad Commissioners, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, to restore the old rates of passenger fares as existing prior to the promulgation of the said order by the said Board of Railroad Commissioners, and to rescind and suspend the operation of the said order of the said Board of Railroad Commissioners reducing the said rates of passenger fares as aforesaid, and also from putting into effect the said rates of fare for the transportation of passengers prescribed by the order of the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the Board of Railroad Commissioners of the State of North Carolina; and that the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the Board of Railroad Commissioners of the State of North Carolina, and the said Zebulon V. Walser, acting as Attorney General of the said State of North Carolina, and the said W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall, Solicitors as aforesaid, and their successors in office, be forbidden and enjoined from instituting or authorizing or directing any others to institute any suit or suits, action or actions against your orator for the recovery of any penalty or penalties under and by virtue of any provision of the said Act of the General Assembly of North Carolina, entitled "An Act to provide for the general supervision of railroads, steamboat or canal companies, express and telegraph companies, doing business in the State of North Carolina," ratified March 5th, 1891, as amended by any subsequent act or under or by virtue of any order or orders of the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the said Board of Railroad Commissioners of the State of North Carolina, or either or any of them combined; and that the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, and the Board of Railroad Commissioners of the State of North Carolina be forbidden, restrained and enjoined from certifying any copy or copies of said order, and from delivering or permitting or causing to be delivered any copy or copies of said order to any Solicitor in any judicial district in the said State of North Carolina, or to the said Zebulon V. Walser, Attorney General, or to any other person, and from furnishing to any of the defendants or any other Solicitor of the said State of North Carolina, any information of any character whatever for the purpose of inducing, enabling or aiding him or them to institute or prosecute any suit or suits against your orator for the recovery of any penalty or penalties under the said Act of March 5, 1891, as amended by any supplemental acts; and that the said defendants, the Board of Railroad Commissioners of the State of North Carolina, and the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, acting as Railroad Commissioners of the said State, and their successors in office, be forbidden, restrained and enjoined from making or issuing or delivering to your orator, or from causing to be

made, issued or delivered to it any other or further order reducing or purposing or seeking to reduce the rates of fare for the transportation of passengers over the lines of railroad owned, controlled or operated by your orator in the State of North Carolina until the further order of this Honorable Court.

And for such other and further relief as may seem to this Honorable Court just in the premises and as the nature of your orator's case may require and as may be agreeable to equity.

And your orator will ever pray, etc.

R. O. BURTON,
JUNIOUS DAVIS.
Solicitors for Complainant.

STATE OF MARYLAND,
CITY OF BALTIMORE.

W. G. Elliott, being duly sworn, says that he is an officer of plaintiff corporation, the Wilmington and Weldon Railroad Company, to-wit, the President thereof; that he has read the foregoing bill and knows the contents thereof, and that the matters therein stated as of his own knowledge are true, and those stated on information and belief he believes to be true.

W. G. ELLIOTT.

Subscribed and sworn to before me on this 8th day of August, 1898.

FELIX R. SULLIVAN,
Notary Public for the City and State aforesaid.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN
DISTRICT OF NORTH CAROLINA.

THE WILMINGTON AND WELDON RAILROAD COMPANY

vs.

THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF NORTH
CAROLINA, L. CAMPBELL CALDWELL, JOHN H. PEARSON, DELEON
H. ABBOTT AND ZEBULON V. WALSER AND W. J. LEARY, W. E.
DANIEL, WHEELER MARTIN, E. W. POU, M. C. RICHARDSON AND
H. F. SEAWALL.

IN EQUITY.

Upon reading the verified bill of complaint in this cause, and upon consideration of the same, now, upon motion of R. O. Burton and Junius Davis, solicitors for the complainant, it is ordered that said defendants, the Board of Railroad Commissioners of the State of North Carolina, L. Campbell Caldwell, John H. Pearson, DeLeon H. Abbott, Zebulon V. Walser, W. J. Leary, W. E. Daniel, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall, and each of them, show cause before me at the United States court-house in Greensboro, in the State of North Carolina, on the second Tuesday of October, A. D., 1898, at 10 o'clock a. m., or as soon thereafter as counsel can be heard, why the prayer of the said bill of complaint should not be granted, and why an injunction as therein prayed should not be granted and ordered until the final hearing of this cause.

And it is further ordered that until the further order of this Court, and until after the entry and filing of any such order as the Court may make upon the hearing aforesaid, the said defendants, the Board of Railroad Commissioners of the State of North Carolina, the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott are hereby enjoined and commanded to restore the old rates of passenger fares as existing prior to the promulgation of the said order made by the said Board of Railroad Commissioners, reducing passenger rates over the lines of railroad of the Wilmington and Weldon Railroad Company to 2½ cents per mile for first-class passengers and 2 cents per mile for second-class passengers, and to rescind and suspend the operation of the said order of the said Board of Railroad Commissioners reducing the said rates of passenger fares as aforesaid, and they are hereby restrained and enjoined, also, from putting into effect the said rates of fare for the transportation of passengers over the lines of the Wilmington and Weldon Railroad Company prescribed by the order of the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the Board of Railroad Commissioners of the State of North Carolina, as mentioned and set forth in the bill herein, and from permitting the said order and new rates of fare from going into or remaining in effect; and that the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the Board of Railroad Commissioners of the State of North Carolina, and said Zebulon V. Walser, acting Attorney-General of the said State of North Carolina, and the said W. J. Leary, W. E. Daniel,

Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall, acting as Solicitors of the First, Second, Third, Fourth, Sixth and Seventh Judicial Districts respectively of the said State of North Carolina, and their successors in office be, and they hereby are forbidden, enjoined and restrained from instituting or authorizing or directing any others to institute any suit or suits, action or actions against the said complainant, the Wilmington and Weldon Railroad Company, for the recovery of any penalty or penalties under and by virtue of any provision of the said Act of the General Assembly of North Carolina, entitled, "An Act to provide for the general supervision of railroads, steamboat or canal companies, express and telegraph companies doing business in the State of North Carolina," ratified March 5, 1891, as amended by any subsequent act, or under or by virtue of any order or orders of the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, constituting the said Board of Railroad Commissioners of the State of North Carolina, or either or any of them combined; and that the said defendants, L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, acting as the Board of Railroad Commissioners of the State of North Carolina, and each and every of them be, and they hereby are forbidden, restrained and enjoined from certifying any copy or copies of said order and from delivering or permitting or causing to be delivered any copy or copies of said order reducing the rates of passenger fares over the lines of the Wilmington and Weldon Railroad Company as aforesaid, to any solicitor in any judicial district in the said State of North Carolina or to the said Zebulon V. Walser, Attorney-General, or to any other person; and from furnishing to any of the defendants or any other solicitor of the said State of North Carolina any information of any character whatsoever for the purpose of inducing, enabling or aiding him or them to institute or prosecute any suits against the said complainant, the Wilmington and Weldon Railroad Company, for the recovery of any penalty or penalties under the said Railroad Commission Act of March 5, 1891, as amended by any supplemental acts; and that the said defendants, the said L. Campbell Caldwell, John H. Pearson and DeLeon H. Abbott, acting as the Railroad Commissioners of the said State, and their successors in office be, and they hereby are forbidden, restrained and enjoined from making or issuing or delivering to the said complainant, the Wilmington and Weldon Railroad Company, or from causing to be made, issued or delivered to it any other or further order reducing or purposing or seeking to reduce the rates of fare for the transportation of passengers over the lines of railroad owned, controlled and operated by the said Wilmington and Weldon Railroad Company in the said State of North Carolina until the further order of this court.

And it is further ordered that a copy of this order be forthwith served upon each of the defendants herein.

Dated this 10th day of August, A. D., 1898, at Asheville, N. C.

It is further ordered that the complainants enter into an injunction bond in the penal sum of ten thousand dollars (\$10,000.00), with sureties to be approved by the Judge of this court, as indemnity for the defendants in case this suit is decided against said complainants.

CHARLES H. SIMONTON, Circuit Judge.

Tenth of August, 1898.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN
DISTRICT OF NORTH CAROLINA.

SITTING IN EQUITY AT RALEIGH, N. C.

THE WILMINGTON AND WELDON RAILROAD COMPANY, PLAINTIFF,

vs.

THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF NORTH
CAROLINA, L. C. CALDWELL, JOHN H. PEARSON, D. H. ABBOTT
AND ZEBULON V. WALSER AND W. J. LEARY, W. E. DANIEL,
WHEELER MARTIN, E. W. POU, M. C. RICHARDSON AND H. F. SEA-
WALL, DEFENDANTS.

The joint and several answers of the Board of Railroad Commissioners of the State of North Carolina, L. C. Caldwell, John H. Pearson, D. H. Abbott and Zebulon V. Walser and W. J. Leary, Wheeler Martin, E. W. Pou, M. C. Richardson and H. F. Seawall, defendants, to the bill of complaint of the Wilmington and Weldon Railroad Company, the plaintiff.

These defendants respectively, now and at all times hereafter, saving to themselves all and all manner of benefit or advantage of exception or otherwise, that can or may be had or taken to the many errors, uncertainties and imperfections in the said bill of complaint contained, for answer thereto, or to so much thereof as these defendants are advised it is material or necessary for them to make answer to, severally answering, say :

First. That the allegations of the first paragraph of the said bill of complaint, as to the incorporation of the plaintiff, are true.

Second. That the allegations of the second paragraph of the said bill of complaint, as to the constitution of the Board of Railroad Commissioners, and the official character of the several defendants, are true.

Third. That the allegations of the third paragraph of the said bill of complaint, as to the Acts of the General Assembly of North Carolina which created said Board of Railroad Commissioners and define its powers and duties, are true.

Fourth. That the allegation of the fourth paragraph of the said bill of complaint, as to the present constitution of said Board, is true.

Fifth. That the allegation of the fifth paragraph of the said bill of complaint, as to the amount involved in this suit, is true.

Sixth. That it is true, as alleged in the sixth paragraph of the bill of complaint, that the rates fixed by the former Board of Railroad Commissioners for the transportation of passengers over the several lines of railroads in this State have been three and one-quarter cents per mile for first-class passengers and two and three-quarter cents per mile for second-class passengers. That while under certain conditions and circumstances, the former Boards of Railroad Commissioners have retained said rates and refused to make a wholesale or level reduction thereof on all the lines in the State, it is not true that these rates were, or are, not just and rea-

sonable with respect to the main line of the plaintiff herein, which has been, and is now making a very large profit upon its local traffic in North Carolina, as well as upon its through business.

Seventh. That it is true, as alleged in said paragraph, that the Board of Railroad Commissioners, composed of Jas. W. Wilson, E. C. Beddingfield and S. Otho Wilson, in the year 1896, declined to reduce the passenger rates of all the railroads in the State, and that in July, 1897, the said Board, composed of Jas. W. Wilson, S. Otho Wilson and D. H. Abbott, made the same ruling. But in 1896 the question was not presented, as now, whether the strongest and most prosperous railroad in the State, with an annual income from operation of within less than \$10,000.00 of \$1,000,000.00, could stand a reduction of less than \$30,577.05 on the receipts from domestic business upon its main line, where its percentage of profit was greatest. But the question was, whether a large number, if not all of the railroads in the State could stand a reduction of passenger rates. When this proposition was decided in the negative by the said Railroad Commissioners, the plaintiff's report of 1895 was before them, showing an income from operation of only \$685,809.21, less than the income of 1898 by \$305,590.26. It is true that the said Railroad Commissioners in the report, which they made to the Governor under date of December 31, 1896, compared the local rates of this State with those of Pennsylvania and Massachusetts, where the population per square mile is 123 and 309 respectively, while that of North Carolina is only 33 per square mile. But, they omitted to refer to the fact that the number of miles of line per 10,000 inhabitants in Pennsylvania is 16.87, in Massachusetts 8.47 and in Ohio 21.23, while in North Carolina it is 19.29, as appears on pages 11 and 12 of the Interstate Commerce Commission Report of 1896, and yet the average passenger rate in North Carolina is higher than in any of these States. They likewise omitted to call attention to the fact, that while the average fare per mile is 2.15 cents in the United States, it is only 1.17 cents in Germany, 1.67 cents in Austria, 1.11 cents in Belgium, 1.29 cents in Denmark, 1.45 cents in France, 1.64 cents in Italy and 1.45 cents in sparsely settled Russia. They neglected to mention that two of the great railroad systems in this State have voluntarily adopted a first-class mileage ticket at 2½ cents a mile, and the other a mileage ticket at 2 cents a mile first-class. They failed to notice that in Michigan, whose population per square mile is 39 as against 33 in North Carolina, whose number of miles of line per 10,000 inhabitants is 83.36, as against 19.29 in North Carolina, and whose number of miles of line per 100 square miles of territory is 13.12, as against 7.19 in North Carolina, its laws require certain of its railroads to carry first-class passengers at two cents per mile, and these roads continue to flourish.

Eighth. That it is true, as alleged in said paragraph, that in July, 1897, the question of a general reduction of the passenger rates upon all railroads in the State was again presented, and it was again decided in the negative by the same Board. That then, as in 1896, there were many of the railroad companies of the State which were struggling for an existence and ill able to stand any material diminution of their receipts. The question was not then presented whether the Wilmington and Weldon Railroad Company upon its main line alone could bear the reduction.

Ninth. That it is true, as alleged in the seventh paragraph of the bill of complaint, that the present Board of Railroad Commissioners, composed of L. C. Caldwell, John H. Pearson and D. H. Abbott, on February 21, 1898, adopted the following order:

"From and after the 23rd day of March, 1898, the fares for the transportation of passengers shall be as follows:

"Two and one-half cents per mile for first-class tickets; two cents per mile for second-class tickets, on the following railroads in North Carolina, to-wit:

"The Wilmington and Weldon Railroad, from Wilmington to Weldon, and that part of the Wilmington and Weldon Road from Contentnea to the South Carolina State line; the Petersburg Road from Weldon to the Virginia State line; that part of the Tarboro Branch from Rocky Mount to Tarboro, and the Norfolk and Carolina Railroad from Tarboro to the Virginia State line; the Raleigh and Gaston Railroad from Weldon to Raleigh; the Seaboard and Roanoke Railroad from Weldon to the Virginia State line, and the Raleigh and Augusta Air Line from Raleigh to Gibson; the North Carolina Railroad from Goldsboro to Charlotte; the Piedmont Railroad from Greensboro to the Virginia State line; that part of the Northwestern North Carolina Railroad from Greensboro to Winston; the Western North Carolina Railroad from Salisbury to Paint Rock; the Atlantic, Tennessee and Ohio Railroad from Charlotte to Statesville; the Atlanta and Charlotte Air Line Railroad from Charlotte to the South Carolina State line, and the Charlotte, Columbia and Augusta Railroad from Charlotte to the South Carolina State line."

That under and by virtue of the said order the rates of fare for passengers were reduced on and after the 23rd day of March, 1898, on the main line of the plaintiff's railroad in this State, as well as on the many other railroads mentioned in the said order, from three and one-fourth cents per mile for first-class passengers to two and one-half cents per mile, and from two and three-fourths cents per mile for second-class passengers to two cents.

That shortly after the passage of the said order reducing the passenger rates as aforesaid, the decision of the Supreme Court of the United States in *Smythe vs. Ames*, commonly known as the Nebraska case, was handed down. Thereupon, the three great systems of railroads in North Carolina, the Southern, the Seaboard Air Line and the Coast Line, through their able and eminent counsel, pressed this decision upon the Commission, insisting that by it their hands were tied, and that they had no power to interfere with domestic rates, unless they permitted each company to earn upon its intrastate business alone a reasonable percentage upon its entire investment. That, in the absence of any counsel for the State, and of any argument in favor of the people, acting upon the construction of the decree adopted and argued by the railroad companies, without the benefit of any further information than was contained in the filed reports of the railroad companies, except such as the railroads chose to furnish, and after an ex parte presentation of the controversy by the evidence in behalf of the railroad companies, showing that some of the lines included in the Commission's resolution were unable to stand the proposed reduction, these defendants rescinded the said order and restored the old rates, the defendant L. C. Caldwell voting for the rescission and declaring that his previous action in passing the order of reduction on so many of the railroad lines in the State was, as he thought, unwise.

Tenth. That it is true, as alleged in the seventh paragraph of the bill of complaint, that on April 20, 1898, complaints were filed in behalf of the people of the State against the North Carolina Railroad Company, the Raleigh and Gaston Railroad Company and the Wilmington and Weldon Railroad Company, in which it was asked that a reduction of passenger rates should be made on the lines of the first two and on the main line of the last-named company between Wilmington and Weldon. That Exhibits Nos. 1 and 2 attached to the bill of complaint are true copies of the complaint against the Wilmington and Weldon Railroad Company and its answer thereto, except that several exhibits, which were annexed to the said answer, have been omitted.

Eleventh. That in said complaint, the allegations of which are here reiterated as a part hereof, it was suggested that the meaning and effect of the Nebraska decision had been misunderstood by these defendants. That in this case the Supreme Court of the United States had not undertaken to decide what proportion of the value of the property of a railroad company within a State should be considered as entitled to earn a reasonable percentage of profit on domestic or intrastate business. That in said complaint it was and it is contended:

“That while it is admitted that a railroad company, whose property is used in both domestic and interstate commerce, is entitled to earn, in respect to the whole of its business, a reasonable percentage of profit, that percentage of profit must be apportioned, so that a certain part of it shall be considered as derived from domestic and the balance from interstate business.

“That the railroads were built to be used in both domestic and interstate business, and it is but just that, with respect to each class of business, they shall be permitted to earn a fair profit upon the proportion of their investment which may be deemed appropriated to that class of business, the total profit being limited to a just per centum of the total investment. And such proportion of the investment of its capital or of the value of its property is to be deemed appropriated to domestic business as the volume of such business bears to the volume of the whole business of the company.

“That, differently construed, the Nebraska decision would absolutely destroy in every case that most salutary power of the Commission—the power to regulate the freights and fares of railroad companies for the protection of the public. Construed in this manner, the decision does not prevent the Railroad Commissioners from reducing the fares on some of the railroads in the State.

“That the Nebraska decision does not decide that a railroad must be permitted to take a certain percentage of profit out of every class of its domestic business, as, for example, a reasonable percentage of profit out of its domestic passenger business; a reasonable percentage of profit out of its domestic express business; a reasonable percentage of profit out of its domestic mail service; a reasonable percentage of profit out of its domestic freight business. That it would be beyond the power of the Commission or the Court to interfere with the internal management and adjustment of these several matters. That the rule is, that from its domestic business of all kinds, in the aggregate, the company shall not be prevented from receiving a reasonable compensation for such service.”

That it was further stated in said complaint, that the Wilmington and Weldon Railroad Company upon its entire line, including unprofitable branches, made a profit in 1896 and 1897 of 14.3 per cent upon its assessed tax valuation for that year, and in 1897 and 1898 it made a profit of 13.1 per cent upon its largely increased tax valuation. That the proposed reduction of rates would not materially affect the income of the said company, but that it would still receive a large profit on its intrastate as well as its interstate business.

Twelfth. That to this complaint the present plaintiff, the Wilmington and Weldon Railroad Company made answer, protesting that the only purpose of the complainant was to make up a test case, in which certain abstract questions of law might be decided. Whereas, the real purpose of the said complainant and of these defendants, Commissioners, in their subsequent action, was to reduce the domestic passenger rates on the main line of the plaintiff between Wilmington and Weldon to a proper standard.

That the plaintiff further protested in said answer, as it does in the present complaint, that the same question had been considered by former Boards of Railroad

Commissioners and set at rest by one or more decisions. That this plea of res adjudicata had no application to the controversy, nor is it true "that the subject brought forward in the complaint had been repeatedly considered by this Board."

That in its answer the plaintiff submitted and filed a schedule of the earnings and cost of operation of some, not all, of its several passenger trains, for the months of November and December, 1897, and January, 1898, but it failed to call attention to the fact, that the said schedule did not include the total receipts of the said passenger trains, as they earned a revenue from mail, express and baggage, not included in said schedule, and that the pretended expenses of passenger trains were not such expenses at all but the expenses of passenger and freight trains together. That the plaintiff in its said answer undertook to set out its receipts from passengers, per passenger train mile, and from passenger train service, per passenger train mile, and to make a comparison with the cost of operation, not of passenger trains, but of freight and passenger trains, without calling attention to this fact. That the said comparison is delusive and misleading in the present investigation. Besides, as heretofore expressed, it is insisted by these defendants, that passenger service alone should not be considered, but that the inquiry should be whether, under the reduced rates, the plaintiff can make a reasonable profit on its combined freight and passenger traffic within the State of North Carolina. That this view has been adopted in all of the calculations which the plaintiff has presented in the bill of complaint herein. That the plaintiff's said statistics are made up from the passenger traffic on the weak and unproductive branches as well as on the main line, and so are valueless as indicating whether or not the plaintiff can stand a reduction of its passenger rates upon its main line between Wilmington and Weldon.

Thirteenth. That "Exhibit C." which is attached to the said answer, and which undertakes to give certain percentages of profit, is misleading in the following particulars: The item, "Earnings intrastate freight and passenger \$506,824.69" is incorrect. The gross receipts of the company for 1896 and 1897, as reported by it, were:

Gross earnings from operation.....	\$1,874,813.65
Miscellaneous income, less expenses.....	34,225.78
Total.....	1,909,039.43

The plaintiff avers that the domestic receipts are one-third of the whole. This would be \$636,346.47 instead of \$506,824.69, as stated by the plaintiff in said "Exhibit C."

It is supposed, however, that the plaintiff has included in its estimate of intrastate receipts only 20 per cent of mail, express and baggage, amounting to \$165,721.96, 20 per cent of which is \$33,144.39, which is to be added to one-third of the remainder of the total receipts, after deducting receipts from mail, express and baggage.

Total receipts as above.....	\$1,909,039.43
Deduct receipts from mail, express and baggage.....	165,721.92
Leaving.....	1,743,317.51
One-third of which, instead of \$506,824.69, is.....	581,105.83
Add 20 per cent of \$165,721.96 as above.....	33,144.39
	614,250.22

From this the plaintiff deducts one-third of expenses and taxes, \$377,596.70, when he should only deduct that proportion of the expenses and taxes which, \$506,824.69, intrastate freight and passenger earnings, bears to \$1,909,039.43, the total gross earnings. This percentage is 26.5. The total expenses and taxes is reported by the plaintiff in its printed report of 1897 as \$1,132,790.11, 26.5 per cent of which is the proper proportion to be deducted from the intrastate freight and passenger earnings, or.....

300,189.37

Instead of..... 129,237.99

The remainder is net balance of intrastate profits..... 314,060.85

This balance is 5.71 per cent on the assessed tax value of 1897 of \$5,498,955.00, and it is 21.5 per cent of the proportion of the assessed value which is to be deemed as appropriated to intrastate business. This proportion is 26.5 per cent of \$5,498,955.00, or \$1,457,223.07. If the plaintiff's property be valued at \$10,000,000.00, an extreme figure, the percentage will be 11.8 per cent, which affords an ample margin for the slight reduction involved in the proposed passenger rates.

The second calculation in "Exhibit C" is equally erroneous.

Substitute for "earnings \$506,824.69," the earnings as demonstrated above to be correct according to the plaintiff's method, namely.....

\$614,250.22

And deduct not 70 per cent thereof as cost of operation, but the percentage of expenses to earnings represented by the plaintiff in the printed report of 1897, (p. 53), namely, 58 per cent thereof.....

356,265.12

257,985.10

Deduct 26.5 per cent of taxes, \$43,949.13..... 11,646.51

246,344.59

Deducting from this one-third of interest on funded debt, (plaintiff's figures)..... 88,545.63

The property of which is disputed, there remains..... 157,798.96

Which is 5.25 per cent of the capital stock of..... 3,000,000.00

If from the \$157,798.96 be deducted the amount involved in the change of rates as appears by "Exhibit A" to this answer..... 30,577.05

There remains, net profit from intrastate traffic..... 127,221.91

Which is 16 per cent on \$795,000.00, the proportion of the stock, the premiums on which should be paid by intrastate profits. This proportion is 26.5 per cent of..... 3,000,000.00

The proper deduction from..... 246,344.59

Is not one-third, but 26.5 per cent of the interest on funded debt, special trust certificates and equipment notes, total, \$253,136.88, 26.5 per cent of which is..... 67,081.27

Remainder..... 179,263.32

From this deduct amount involved in change of rates..... 30,577.05

There remains net profit..... 148,686.27

From this deduct 26.5 per cent of interest on certificates of indebtedness, (\$175,000.00)	\$46,375.00
And there remains subject to dividends upon stock	102,311.27

This is 12.8 per cent of \$795,000.00, the proportion of the stock which should be paid by intrastate profits, that is 26.5 per cent of \$3,000,000.00, or \$795,000.00.

It is submitted, therefore, that no dependence can be placed upon the calculations and estimates of "Exhibit C" of the answer.

Fourteenth. That in the several investigations and inquiries by these defendants, Commissioners, the State was represented by counsel, who, for the first time, presented the view of the Nebraska decree set forth in the complaint, which, upon full argument, was adopted by these defendants. That the said counsel cross-examined the witnesses for the railroad companies, and brought out facts germane to the inquiry hitherto unknown to these defendants. That the railroad companies were required to make additional reports for the first three months of 1898, separating and distinguishing between interstate and intrastate passenger and freight receipts. That such report by the plaintiff herein showed an increase of receipts over its entire line for the year 1896 and 1897 of 17.2 per cent. That this report has since been confirmed by the annual report of the fiscal year of 1897 and 1898, ending June 30, 1898, which shows the enormous increase of net income from operation of the plaintiff from \$820,198.45 in 1897 to \$991,399.47 in 1898, being an increase of 20.9 per cent. That on the final argument before these defendants, the printed report of the plaintiff of 1897 was dissected, and it was demonstrated to the satisfaction of the defendants, Commissioners, that the plaintiff could well stand the proposed reduction of passenger rates upon the most prosperous portion of its road, to-wit, its main line between Wilmington and Weldon.

Fifteenth. That it was made to appear to these defendants, Commissioners, and is a fact that the plaintiff's net earnings from operation have been gradually increasing since the year 1882. That

In 1882-'3 they were	\$195,880
1883-'4 they were	294,613
1884-'5 they were	373,141
1885-'6 they were	374,100
1886-'7 they were	378,312
1887-'8 they were	548,129
1888-'9 they were	460,315
1889-'90 they were	669,715
1890-'1 they were	680,036
1891-'2 they were	647,126
1892-'3 they were	672,639
1893-'4 they were	689,225
1894-'5 they were	653,522
1895-'6 they were	735,990
1896-'7 they were	820,198
1897-'8 they were	991,399

That if the plaintiff's net earnings shall continue to increase in the same ratio, in another decade the net increase of this corporation will exceed \$2,000,000.00. That it is inconceivable that the plaintiff can not survive a reduction of rates, which will take from such annual revenues the pitiful sum of less than \$30,577.05. (See "Exhibit A" attached to this answer).

Sixteenth. In view of all these things, it was deemed that there was such a difference in the conditions and circumstances of the case as to warrant a change of opinion on the part of the Commission, and the granting of the prayer of the complaint in the case against plaintiff. That the following is a copy of the order which was made on July 13, 1898:

"On and after the 13th day of August, 1898, the maximum charge for the transportation of passengers over the Wilmington and Weldon Railroad shall not exceed 2½ cents per mile for first-class tickets and 2 cents per mile for second-class tickets."

Seventeenth. That after the bill of complaint herein was served upon and read by the several members of the Board of Railroad Commissioners, it was ascertained that a clerical mistake had been made in drafting the said order of July 13, 1898, which made it susceptible, perhaps, to the construction placed upon it by the plaintiff herein, although from the whole course of the testimony and the argument of the counsel for the State and of the plaintiff herein, it was understood by the said plaintiff, that the proposed reduction of domestic passenger rates was to affect only its main line from Wilmington to Weldon. That during the investigation before the defendants the plaintiff was required to furnish, and did furnish, a report, distinguishing between intrastate and interstate traffic on such main line, but on none of its branches. That among other things it was stated in the said complaint:

"According to its reports for 1897, presented to the Railroad Commission, it operated under the title of the Wilmington and Weldon Railroad Company, the Wilmington and Weldon Railroad proper, the Wilson Branch, the Scotland Neck Branch, the Washington Branch, the Nashville Branch, the Clinton Branch, the Midland Branch, the Tarboro Branch, and spurs to the mills and factories. The last six branches and the spurs have an aggregate mileage of 243.30 out of the total mileage of 520.95. None of these branches, with the exception of the Wilson Branch, are very prosperous. By consolidating the report of operation of the Wilmington and Weldon Railroad Company proper, with the reports of operation of all these branches, the profits of that company have been apparently reduced in the general average, and do not appear as large as they really are. In fact, it is impossible to tell from the reports filed, what are the receipts and expenses of the Wilmington and Weldon Railroad proper. It is conceived that there is a larger percentage of profit made by this company upon its main line, than upon any of its branches, except, perhaps, the Wilson Branch. This railroad company reported in 1897, from all operations of its main line and branches, the gross earnings of

	\$1, 874, 813. 65
Less operating expenses.....	1, 088, 840. 98
Income from operation.....	785, 972. 67
Less taxes.....	43, 949. 13
Net income from operations in North Carolina.....	742, 023. 44

"The property of this road and its branches was assessed for taxation in 1887 at the aggregate sum of \$5,498,955.00 which the company insisted was an excessive valuation, so that, notwithstanding the account is loaded down with the affairs of unprofitable branches, this company made a net profit of 13.4 per cent upon the assessed valuation of the said property.

"It is conceived that if the plaintiff had filed a full report of the operation of its railroad separate and distinct from that of its branches, particular data would have been furnished sufficient to demonstrate that it is one of the most prosperous roads

in the State and well able to stand the proposed reduction of its domestic passenger fares."

That this, in connection with the protest of the complainant in its answer to said complaint, that it would be impracticable and unjust to separate the earnings and expenses of the main line from those of its branches, and the denial of the plaintiff that a full report of the operations of the main line separate and distinct from that of its branches, would demonstrate that it is well able to stand the reduction of its domestic passenger fares contended for, (that is, upon its main line between Wilmington and Weldon) shows clearly that the complainant knew full well the scope of the prayer of the complaint, and the purpose and intent of the defendants in granting it. That in order to correct any misapprehension, real or otherwise of the said plaintiff, in respect to the said order, these defendants, on September 30, 1898, passed the following order:

"Whereas, on July 13, 1898, the following order was made:

ORDER No. 98.

"On and after the 13th day of August, 1898, the maximum charge for the transportation of passengers over the Wilmington and Weldon Railroad shall not exceed 2½ cents per mile for first-class tickets, and 2 cents per mile for second-class tickets; and,

"Whereas, it was intended by the words 'Wilmington and Weldon Railroad' in said order to refer to the Wilmington and Weldon Railroad between Wilmington and Weldon; and,

"Whereas, by one construction of the order as inadvertently drawn, it may be supposed that it was intended that the reduction should extend to the branches of the said road as well.

"Now, therefore, it is ordered that the said order be amended so as to read as follows:

ORDER No. 98.

"On and after the 13th day of August, 1898, the maximum charge for the transportation of intrastate passengers over the Wilmington and Weldon Railroad, on the main line between Wilmington and Weldon, shall not exceed 2½ cents per mile for first-class tickets and 2 cents per mile for second-class tickets."

Eighteenth. That these defendants have been informed and believe that it was reasonably apprehended that the right of the Board to make the proposed reduction would be challenged in the courts by the plaintiff, and it was desired that a case might be presented upon the strongest and most prosperous line of each of the great systems of railroads which operate in this State, not only to have the Nebraska decision construed by the courts and to have the powers and duties of the said Commissioners defined in order that they might hereafter act up to the full measure thereof, but to reduce the passenger fares of the railroad companies named because they were unreasonable, and because the said companies were abundantly able to stand the proposed reduction.

Nineteenth. That, whatever may have been the purpose in filing the said complaints, it was not the purpose of these defendants. Commissioners, in granting the prayer of the complaint against the plaintiff herein to simply make a test case, but that their action was based upon the law and the facts as they were understood by them, and upon the conviction that the plaintiff, upon the main line of the Wilmington and Weldon, was making a larger profit than any other railroad company in North Carolina. That the said reduction was made by these defendants in per-

fect good faith, and with no purpose or intent to discriminate against it in the slightest degree.

Twentieth. That it is true, as shown from the reports filed by the said three railroad companies in the year 1897 before the said Railroad Commission, that the total gross receipts from operation of the Wilmington and Weldon Railroad Company were \$1,874,813.65; of the North Carolina Railroad Company \$1,592,217.93; and of the Raleigh and Gaston Railroad Company \$602,304.23; the total receipts from passenger service of the Wilmington and Weldon Railroad Company, as shown by the same report, was \$590,494.76; of the North Carolina Railroad Company \$636,861.05, and of the Raleigh and Gaston Railroad Company \$142,636.84. That the total mileage of the said companies is as follows: the Wilmington and Weldon Railroad Company 610 miles, the North Carolina Railroad Company 221.65 miles, the Raleigh and Gaston Railroad Company 107 miles. That the total gross receipts per mile of the said three roads are as follows: the Wilmington and Weldon Railroad Company \$3,599.53, North Carolina Railroad Company \$7,122.42, Raleigh and Gaston Railroad Company \$5,629. That it is also true that the total passenger receipts per mile of the said three railroads were as follows: the Wilmington and Weldon Railroad Company \$1,133.71, North Carolina Railroad Company \$2,848.81, and the Raleigh and Gaston Railroad Company \$1,333.00.

That it is not true that the said railroads are in as prosperous a condition as is the plaintiff, or that they are now run and operated under substantially the same conditions and circumstances, or that the defendants have unlawfully discriminated against the plaintiff, or denied to it the equal protection of the laws in reducing its rates and refusing to reduce them on the said North Carolina Railroad Company.

Twenty-first. That a comparison of the gross receipts of the Wilmington and Weldon Railroad Company, and of the passenger receipts of the Wilmington and Weldon Railroad Company for the year 1897, with such receipts of the North Carolina Railroad Company and the Raleigh and Gaston Railroad Company, are misleading and deceptive. That in this investigation we have to deal with, not the total gross receipts of the Wilmington and Weldon Railroad Company, or the total receipts from passenger services of the said road, including all of its branches, with a total mileage of 610 miles, but with the freight and passenger receipts of the main line of the said railroad, 161 miles in length, located with the most populous city in the State as one of its termini, and running through a fertile and populous country. That for the purposes of this investigation it is unfair to consolidate and confuse the receipts and disbursements of the Wilmington and Weldon Railroad proper, to-wit, its main line between Wilmington and Weldon, which is prosperous and remunerative, with the accounts of receipts and disbursements of its weak and unprofitable branches.

Twenty-second. That, as appears by the printed reports of 1897, made to the Board of Railroad Commissioners by the railroad companies, the net earnings from operation of the North Carolina Railroad Company were \$443,445.34

The net earnings from operation of the Raleigh and Gaston Railroad Company for the same year were 220,024.40

The net earnings from operation of the Wilmington and Weldon Railroad Company for the same year were 785,972.67

The same railroad companies were assessed for taxation for the same year as follows:

North Carolina Railroad Company at	\$3, 117, 233. 00
Raleigh and Gaston Railroad Company at	1, 562, 153. 32
Wilmington and Weldon Railroad Company at	5, 498, 955. 00

	Per cent.
The net earnings of the North Carolina Railroad Company were, of its tax valuation	14. 2
The net earnings of the Raleigh and Gaston Railroad Company were, of its tax valuation	14. 1
The net earnings of the Wilmington and Weldon Railroad Company were, of its tax valuation	14. 3

That as appears by the printed reports of 1898, made to the Board of Railroad Commissioners by the railroad companies, the net earnings from operation of the North Carolina Railroad Company were

The net earnings from operation of the Raleigh and Gaston Railroad Company for the same year were.....	234, 037. 64
The net earnings from operation of the Wilmington and Weldon Railroad Company for the same year were.....	959, 593. 72

The same railroad companies were assessed for taxation for the same year as follows :

North Carolina Railroad Company at	\$3, 785, 793. 00
Raleigh and Gaston Railroad Company at	1, 888, 708. 44
Wilmington and Weldon Railroad Company at	7, 582, 775. 20

	Per cent.
The net earnings of the North Carolina Railroad Company were, of its tax valuation	11. 00
The net earnings of the Raleigh and Gaston Railroad Company were, of its tax valuation	12. 38
The net earnings of the Wilmington and Weldon Railroad Company were, of its tax valuation	12. 65

That these large profits were made on plaintiff's entire system of roads in North Carolina, including the Newbern Branch, which is operated at a dead loss, and other branches which are operated at a nominal profit, making it necessary for the plaintiff's main line to earn an excessive percentage of profit, in order to make such an average showing for its whole mileage in North Carolina as is herein set forth.

Twenty-third. That according to the plaintiff's printed report of 1897, the percentage of expenses to earnings of its entire line, including its branches, was 58 per cent, while that of the Raleigh and Gaston Railroad Company was 63.4 per cent, and of the North Carolina Railroad Company was 72.15 per cent. These defendants are informed and believe, and so aver, that if the plaintiff had filed a full report of the operation of its railroad between Wilmington and Weldon; separate and distinct from that of its branches, it would show a percentage of net profit from operation twice as great as it does, loaded down as it is with the operation of its branches. But even thus loaded down, it makes a most favorable comparison with the North Carolina Railroad and the Raleigh and Gaston Railroad.

Twenty-fourth. That as indicating the wonderful prosperity of the plaintiff, in the year 1889 it distributed among its stockholders, as a scrip dividend, \$2,500,000.00 of certificates of indebtedness, upon which it is paying 7 per cent interest. That in the year 1890 and 1891 it distributed among its stockholders \$3,221,000.00 of stocks

owned by it in other companies. That notwithstanding the plaintiff's claim that it could not stand the slight reduction involved in the proposed change of its passenger rates, since the institution of this suit it has declared an extra dividend out of its surplus earnings of $33\frac{1}{2}$ per cent. That is to say, to every six shares of its stock outstanding, one share of stock in the Atlantic Coast Line of the value of one hundred dollars and a bond of the Wilmington and Weldon Railroad Company for one hundred dollars have been issued, aggregating \$1,000,000.00. That it has thus, within the space of ten years divided among its stockholders, besides the regular dividends of 6 and $6\frac{1}{2}$ per cent upon its capital stock of \$3,000,000.00, and the interest at 7 per cent on its certificates of indebtedness of \$2,500,000.00, the enormous aggregate of \$6,721,000.00 in securities, representing its earnings and acquisitions. That it is incredible, that a diminution of its royal revenues of from \$10,000.00 to \$30,000.00 will force it into liquidation or amount to a confiscation of its property.

Twenty-fifth. That in consideration of the foregoing facts, conditions and circumstances, and further in consideration of the fact that the North Carolina Railroad Company had, at the instance of the State of North Carolina, acting through its former Governor, leased its line to the Southern Railway Company for ninety-nine years at a rental of $6\frac{1}{2}$ per cent on its capital stock and all taxes; and that it did not appear to the defendants, Commissioners, that the said lessee company could earn from domestic passenger traffic of the North Carolina Railroad as much as $6\frac{1}{2}$ per cent on that proportion of its property to be deemed appropriated to intrastate traffic, in addition to the taxes, if the complaint against the North Carolina Railroad should be granted, the defendants, Commissioners, refused to reduce the passenger rates of the said North Carolina Railroad Company, and granted the prayer of the complaint against the plaintiff, believing its rates between Wilmington and Weldon were unreasonable, and considering that it was the best able of all the railroad companies in the State to bear this proposed reduction of passenger rates.

That so far as the Raleigh and Gaston Railroad Company is concerned, these defendants, Commissioners, experienced great difficulty. That it appeared in evidence that this company had endorsed the bonds of the Georgia, Carolina and Northern Railway Company to the extent of over \$5,000,000.00, and that upon such guarantee it had been obliged to pay large sums of money, amounting in the aggregate in the last five years to \$783,422.16. That during the fiscal year ending June 30, 1898, it has paid on this account the sum of \$142,406.19, reducing its net earnings to \$47,248.03. That the said net earnings were larger than they had been for five years. That for five years the said company had not been able to declare a dividend. That the Wilmington and Weldon Railroad Company was not thus handicapped. That under these circumstances the defendants, Commissioners, felt justified in postponing action upon the complaint against the Raleigh and Gaston Railroad Company for the present, until its fortunes should mend, and until it should be decided whether the construction placed by them upon the Nebraska decision was correct. That these defendants felt then, and feel now, that in so doing they have acted with perfect fairness to the plaintiff, and that they have made no unjust discrimination between it and any other railroad company in the State.

Twenty-six. That as the defendants are informed and believe, it is true, as alleged in the seventh paragraph of the bill of complaint, that the mileage of the line of railroad owned and operated by the plaintiff in North Carolina is:

	Miles
The main line from Wilmington to Weldon.....	161.40
Tarboro Branch.....	67.71
Scotland Neck or Kinston Branch.....	85.82
Midland Branch.....	21.50
Wilson and Fayetteville Branch—Short Cut.....	116.20
Nashville Branch.....	19.20
Clinton Branch.....	13.43
Washington Branch.....	25.39
Spurs to Mills and Factories.....	10.20
	<hr/> 520.85
Newbern Branch (acquired in fall of 1897).....	90.03
Total.....	<hr/> 610.88

That these defendants do not know, and can not set forth, as to their belief or otherwise, whether or not it is true as alleged, that it cost to construct and equip the 520.85 miles above stated, with yards, building ground, station grounds, building and terminal facilities \$10,802,242.00, or whether it cost to construct and equip the Newbern Branch over \$2,396,896.00. That if the Newbern Branch cost this amount of money to construct it, it was built with wasteful extravagance. That it appears from the reports of the Wilmington, Newbern and Norfolk Railroad Company, (the Newbern Branch), made to the Board of Railroad Commissioners that \$2,400,000.00 of its stock and \$1,200,000.00 of its bonds were issued to contractors. These defendants allege upon information and belief that they were issued at greatly less than their face value. That, as defendants are informed and believe, the plaintiff has recently acquired the said Newbern Branch at the cost of only \$400,000.00. That as defendants are informed and believe it would now cost to construct and equip, and replace the lines of railroad of the complainant, exclusive of the Newbern Branch, the sum of \$8,101,681.74. But, as these defendants are advised and believe, the mileage of the several branches, and the cost of construction and equipment of the same are foreign to the question at issue, which is, mainly, the fairness of the rate which has been established by the defendants, Commissioners, upon the plaintiff's main line between Wilmington and Weldon.

Twenty-seventh. These defendants say that they believe the statements contained in the seventh paragraph of the said bill of complaint, that the first general mortgage of the complainant is \$4,000,000, and that the mortgage on the Albemarle and Raleigh Branch is \$500,000, making a total of \$4,500,000, and also that the special trust certificates of indebtedness amounted to \$380,000, making an aggregate of \$4,880,000. That they believe that the capital stock of the complainants is \$3,000,000, and that in addition thereto it has outstanding certificates of indebtedness amounting to \$2,500,000, upon which it is liable for interest at 7 per cent per annum, when earned, and that it takes precedence over the payment of any dividend to any of its stockholders, and that the \$380,000 trust certificates debt was incurred in procuring a controlling interest in the Northeastern Railroad of South Carolina. They do not know, and can not set forth as to their or either of their belief or otherwise, whether or not it is true, as alleged, that all of the moneys represented by certificates of indebtedness were expended in the construction and equipment of the plaintiff's road.

Twenty-eighth. That Exhibit No. 4 to the bill of complaint is misleading in that—

1. It does not take into account the item of "miscellaneous income, less expenses, \$34,225.78," which appears in the plaintiff's annual printed report of 1897.

2. It adds to the expenses of domestic business 10 per cent, upon the suggestion that the cost of conducting the intrastate business is 10 per cent greater than the cost of conducting the interstate business. This may be so, although it is not admitted; but the defendants aver that the tariff of intrastate or local freight charges is from one and a-half to twice as great as that of through freight charges. That there is not so great a difference between the tariff of intra and interstate passenger fares, but, taking both together, it is safe to say that the charges upon intrastate business are more than $33\frac{1}{3}$ per cent higher than the charge upon interstate business. This being so, in arriving at the net profit on intrastate business it is not fair to deduct 10 per cent increase of expenses without adding $33\frac{1}{3}$ per cent for the difference of profit between the two classes of business, so that, instead of adding 10 per cent to expenses, 23.33 per cent should be deducted therefrom.

The statement will then stand as follows :

Gross earnings from operation (plaintiff's figures)	\$1,874,813.65
Of which domestic business furnishes 32.8 per cent, or (plaintiff's figures)	614,938.87
Expenses of operation were \$1,088,840.98, of which 32.8 per cent is (plaintiff's figures) ..	\$357,139.84
Less 23.33 per cent, as above	83,320.72
	273,819.12
Remainder	341,119.75
Less 32.8 per cent of taxes (plaintiff's figures)	14,315.25
Remainder, representing net profit from domestic business, before the reduction of rates	326,804.50

3. The plaintiff makes the mistake of calculating the percentage of the net profit from domestic business upon the entire valuation of the plaintiff's property. This calculation should be made upon that proportion of such valuation as may be deemed appropriated for this purpose to domestic business—that is, to that proportion of such valuation as the volume of domestic business bears to the entire volume of domestic and foreign business. The plaintiff has ascertained this proportion to be 32.8 per cent. This proportion is accepted by the defendants, *pro hac vice*. Upon this basis the proportion of the said valuations will be as follows:

(1) Of the tax valuation of 1897, \$5,498,955.00, 32.8 per cent is	\$1,803,657.24
(2) Of the tax valuation of 1898, \$7,582,775.20, 32.8 per cent is	2,487,150.26
(3) Of the cost of road, \$10,802,242.00 (plaintiff's figures) 32.8 per cent is	3,543,135.37
(4) Of the cost of reproduction, \$10,292,000 (plaintiff's figures), 32.8 per cent is	3,375,776.00

Of these several amounts, \$326,840.50, the net profit from domestic business is the following per cent:

	Per cent.
(1) Of \$1,803,657.24 it is	18.1
(2) Of \$2,487,150.26 it is	13.1
(3) Of \$3,543,135.37 it is	9.2
(4) Of \$3,375,776.00 it is	9.67

The plaintiff fails in this connection to make the only calculation which will be of any benefit to the court in solving the problem before it. The amount involved in the proposed reduction should be carefully estimated and deducted from the total net receipts from intrastate business, as above, \$326,840.50.

The amount so involved had been reached in defendants' Exhibit A, hereto annexed, and is	\$30,577.50
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If calculated on the supposition that the reduction applied to the entire mileage of the plaintiff in this State; but as the mileage of the main line from Wilmington to Weldon is the only part affected, the amount involved in the reduction can not exceed \$10,000. Waiving this, however, for the present, the amount ascertained, \$30,577.50, can not be far wrong, because plaintiff's Exhibit No. 5 shows the domestic passenger business, as taken from a special report for one quarter, to be	56,184.75
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Four times this amount will give a close approximation of the domestic passenger business for a year	224,739.00
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The Annual Report of 1898 shows that the receipts the first three months of this year are a fair index to the receipts of the entire fiscal year, because it shows that the total receipts from all sources are but slightly in excess of four times the receipts for the first quarter as taken from the special report. The plaintiff admits, on page 17 of the printed bill of complaint, that the reduction in passenger rates will cause a diminution in passenger receipts of but 20 per cent, which of \$224,739.00 is	44,947.80
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But these defendants claim that in view of the fact that at least one-third of the passenger receipts of the plaintiff are derived from mileage tickets at 2 and 2½ cents per mile, excursion and ministers' and other rates, which are less than 2 cents per mile, all of which are voluntarily fixed by the plaintiff and none of which will be affected by the proposed reduction to 2½ cents per mile for first-class passengers, the proposed reduction will not amount to more than one-third of the average nominal reduction of 25 per cent or 16⅔ per cent of the present domestic passenger receipts. The amount involved in the reduction would therefore be 16⅔ per cent of \$224,739.00 (plaintiff's figures), or	37,456.50
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Deducting from	326,840.50
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The amount involved in the proposed reduction of rates....	30,577.05
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As shown in defendants' Exhibit A, and the remainder....	296,263.45
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Is the net profit from intrastate business after the reduction of rates shall have been carried into effect.

This sum, \$296,263.45, is, of the several amounts above stated, the following percentages:

	Per cent.
(1) Of \$1,803,657.24 it is.....	16.42
(2) Of \$2,487,150.26 it is.....	11.90
(3) Of \$3,543,155.37 it is.....	8.35
(4) Of \$3,375,776.00 it is.....	8.75

When United States 4 per cent bonds are worth 120, North Carolina 4 per cent bonds 102, and the stocks of any railroad in the country which pays a 4 per cent dividend is worth par on the stock exchanges of the country, these defendants insist that the courts ought not to declare that the profits, which the plaintiff is permitted to receive under the reduced rates, are unreasonably low, or that they amount to a confiscation of its property.

5. The defendants are advised and believe that in determining the question of reasonableness of rates the fixed charges are not to be considered, because the fixed charges represent interest on the bonded indebtedness, the proceeds of which were expended in the construction of the road, and which are considered in the estimate of percentage on valuation, or on cost of road, or on reproduction as above. But even making the deduction claimed on account of fixed charges, the net profit from intrastate business, after reduction of rates shall have been carried into effect, is as follows:

Net profit from domestic business after reduction of passenger rates, as above.....	\$296,349.36
Deduct 32.8 per cent of fixed charges (plaintiff's figures).....	87,128.89
Remainder.....	<u>209,220.47</u>

This sum, \$209,220.47, is, of the several amounts above stated, the following per cent:

	Per cent.
(1) Of \$1,803,657.24 it is.....	11.59
(2) Of 2,487,150.26 it is.....	8.41
(3) Of 3,543,115.37 it is.....	5.91
(4) Of 3,375,776.00 it is.....	6.19
(5) Of 1,804,000.00 (which is 32.8 per cent of \$2,500,000 certificates of indebtedness and \$3,000,000 of stock, total \$5,500,000), it is.....	11.56

6. The amount of net profit from intrastate business may be reached in another way.

The plaintiff in its report of 1898 represents that the percentage of expenses to earnings on entire line is 56.4 per cent. The plaintiff says in Exhibit No. 4 that the gross earnings from domestic business is.....	\$614,928.87
So the net earnings from domestic business is 56.4 per cent of this amount, or.....	346,819.88

Which is within \$10,000 of the foregoing corrected estimate of such net earnings without adding the difference between 10 per cent increase of expenses and 33½ per cent excess of profit on domestic business. Should this difference be added, the amount of net profit upon domestic business would be considerably increased.

Twenty-ninth. That it is not true, as alleged in the seventh paragraph of the

bill of complaint, that a proposed reduction of rates will, in any manner or to any extent, affect the plaintiff's interstate passenger rates, especially in view of the fact that the reduction will affect only the rates on the line between Wilmington and Weldon, whereas the very large proportion of the through traffic of the plaintiff is over what is known as the Wilson short-cut, from Wilson to the South Carolina line.

That the calculation on page fifteen of the printed bill of complaint is incorrect and misleading, for that

(1) It takes no account of miscellaneous income \$31,805.75, which appears in the plaintiff's annual report of 1898.

(2) It adds only 20 per cent of mail, express and miscellaneous receipts, whereas a much larger proportion thereof should be considered in arriving at profit from intrastate business.

(3) For the reasons stated above, the expenses, \$409,154.74, instead of being increased ten per cent on account of increased expenses of intrastate traffic, should be diminished $23\frac{1}{8}$ per cent on account of the larger profits of such business.

This will make the proportionate difference as was shown in the former calculation, thus:

From domestic passenger and freight receipts (plaintiff's figures)	\$708, 114. 72
Deduct 32.8 per cent of operating expenses, said to be \$1,247,- 423.80 (plaintiff's figures)	\$409, 154. 74
Less $23\frac{1}{8}$ per cent thereof	95, 469. 43
	<hr/>
Remainder	313, 685. 31
Less 32.8 per cent of taxes (plaintiff's figures)	394, 429. 41
Net receipts from intrastate or domestic business before the reduction of passenger rates	18, 315. 66
instead of \$239,728.88 (plaintiff's figures).	
(4) The plaintiff should deduct from net receipts from intra- state business as above	376, 113. 75
the amount involved in the reduction of passenger rates.	
According to plaintiff's own showing, as stated above, this is 20 per cent (see bill of complaint, p. 17) of four times the intrastate passenger receipts for the first quarter of 1898.	
or \$224,739.00, say	44, 947. 80
	<hr/>
Net profits from domestic business	331, 165. 95

(The true amount to be deducted, as shown in Exhibit A hereto annexed, is \$30,577.50, instead of \$44,947.80, considering the reduction as applying to the plaintiff's total mileage, but only \$10,000 if the order is confined to the line between Wilmington and Weldon.)

This sum, \$331,165.95 is, of the several amounts above stated, the following percentages:

	Per cent.
(1) Of \$1,803,657.24 it is	18.35
(2) Of 2,487,150.26 it is	13.31
(3) Of 3,543,115.37 it is	9.34
(4) Of 3,375,776 it is	9.80
(5) Of 4,329,317.26, which is 32.6 per cent of \$13,199,138, cost of road including Newbern Branch, as claimed by plaintiff, it is	7.65
Now if from net profits from domestic business (as above) \$331,165.95 we deduct 32.8 per cent of fixed charges (plain- tiff's figures)	\$87,828.89

The remainder 244,037.06
is, of the several amounts above stated, the following per-
centages:

	Per cent.
(1) Of \$1,803,657.24 it is	13.52
(2) Of 2,487,150.26 it is	9.81
(3) Of 3,543,115.37 it is	6.88
(4) Of 3,375,776.00 it is	7.22
(5) Of 4,329,317.26 it is	5.63
(6) Of 984,000,000 (which is 32.8 per cent of the capital stock of \$3,000,000 of the company) it is	24.80
But, adopting the erroneous net profit from intrastate busi- ness, as stated by the plaintiff on page 15 of its bill of com- plaint	\$239,728.85
Deducting from it the amount involved in the reduction as above	30,577.05

The remainder is, according to plaintiff, the net profit for
domestic business after the reduction of passenger fares... 209,151.80

It will be found that upon the several amounts above stated as the proper propor-
tion of valuation to be deemed appropriated to the intrastate business, the said sum,
\$209,151.80, is the following percentages:

	Per cent.
(1) Of \$1,803,657.24 it is	11.58
(2) Of 2,487,150.26 it is	8.40
(3) Of 3,543,115.37 it is	5.90
(4) Of 3,375,776.00 it is	6.19
(5) Of 4,329,317.26 it is	4.83
If from the net profits as above	\$209,151.80
there should be deducted 32.8 per cent of fixed charges (plaintiff's figures)	87,126.89

The remainder 122,022.91
will afford a dividend on \$984,000, the proportion of the capital stock which
should be paid by intrastate profit, as above, of 12.40 per cent.

Twenty-ninth. The defendants annex to this answer as Exhibit A, and pray that
it may be taken as a part hereof, a carefully prepared statement, showing from the
data furnished by the plaintiff the effect upon its business of the proposed reduc-
tion, and that it will still be able to maintain its large percentage of profits upon its

whole line, although the reduction affects only the local passenger business upon that portion of its line located between Wilmington and Weldon. That in this exhibit it has been found that the amount involved in the reduction of rates is \$30,577.05. But this is upon the assumption that the rate applied to all the lines and branches of the railroad company, whereas it applies only to 161.610 or $\frac{1}{4}$ of its entire mileage. So that the amount involved in the said reduction will not exceed one-third of \$30,577.05, or in round numbers \$10,000, a mere bagatelle. By this statement (Exhibit A) it appears that the reduction of rates will not materially affect the princely revenues of this corporation, whose stock, as defendants are informed and believe, can not be purchased at two hundred dollars a share.

Thirtieth. These defendants do not know, and can not set forth as to their belief or otherwise whether or not it is a fact, as alleged in the eleventh paragraph of the said bill of complaint, that Exhibit 8, annexed thereto, which purports to show the earnings and cost of operation of the plaintiff's several passenger trains respectively for the months of November and December, 1897, and January, 1898, is correct. But these defendants deny that the reduction asked for in the governor's complaint will cause the passenger trains of the plaintiff's line of railroad to be operated at a loss, either with or without the interstate business, and they deny that the passenger trains of the plaintiff's main line have been operated at a loss either with or without said business.

Thirty-first. These defendants say that they do not know, and can not set forth, as to their belief or otherwise, whether or not the earnings and expenses at the present rate of fares of the passenger trains of the complainant, for the year 1896 and 1897, are truly set forth in Exhibit No. 8 to the bill of complaint. That the statement, that the operating expenses per train mile for 1896 were 85 cents, and for 1897 86 cents, which, in the connection in which they appear, refer to passenger train service, is untrue and misleading. That it appears from the printed report of the said complainant, made each year to the Board of Commissioners, that the operating expenses per train mile set forth therein are for all trains, both passenger and freight, without distinguishing one from the other. That it is impossible to determine the expenses of passenger and freight trains separately, because there are so many expenses which must be apportioned between them by arbitrary and unsatisfactory rules. That the said plaintiff has never attempted, in any of its reports, to make such apportionment.

Thirty-second. The defendants say that it is untrue, as stated in the twelfth paragraph of the bill of complaint, that the fares proposed in the said order of the defendants, Commissioners, are unjust or unreasonable, or unreasonably low, or that its enforcement will deny to the plaintiff due process of law or the equal protection of the laws, or that its enforcement will be a confiscation of property, or that it will be in violation of the Fourteenth Amendment of the Constitution of the United States. Nor is it true that the enforcement of the said order will cause them heavy diminution of the plaintiff's earnings and revenue.

Thirty-third. That it is not true that the proposed reduction of passenger rates will reduce the income of the plaintiff in any degree. That the increased revenues which will follow the abolishment of free passes through the action of these defendants, and the increase of travel, which always follows a reduction of rates, will soon more than make up the comparatively insignificant amount involved in the said reduction.

All of which matters and things these defendants are ready and willing to aver, maintain and prove, as this Honorable Court shall direct, and they humbly pray to

be hence dismissed with their reasonable costs and charges in this behalf most wrongfully sustained.

JOHN W. HINSDALE,
EDWARDS & ROYSTER,
CHAS. A. COOKE,
W. C. DOUGLASS.
Solicitors for Defendants.

STATE OF NORTH CAROLINA—
COUNTY OF IREDELL.

L. C. Caldwell, one of the above-named defendants, being duly sworn, says that he has read the foregoing answer subscribed by him, and knows the contents thereof, and that the same is true to his own knowledge, except as to matters therein stated upon information and belief, and as to those matters he believes it to be true.

L. C. CALDWELL.

Subscribed and sworn before me this 23rd day of November, 1898.

C. H. ARMFIELD,
Notary Public.

[Notarial Seal.]

EXHIBIT "A."

I.

THE GROSS RECEIPTS FROM ALL SOURCES FOR THE FISCAL YEAR
ENDING JUNE 30, 1898.

The annual report of the plaintiff for the fiscal year ending June 30, 1898, shows the following receipts:

Total passenger revenue.....		\$454,114.63
Mail		109,495.38
Express		73,485.21
Extra baggage and storage.....		5,202.86
Total freight earnings.....		1,494,267.20
Car mileage balance.....		2,546.05
Telegraph companies.....		4,818.47
Rents for tracks, yards and terminals.....		20,962.63
Other sources.....		35,150.90
Interest, rents, etc., less expenses.....	\$22,718.09	
Operating hotels, less expenses.....	822.65	
From lease of the Wilmington, Columbia and Augusta Railroad Company, less expenses....	8,265.00	31,805.75
Gross receipts.....		2,231,849.58

II.

THE GROSS EXPENSES FOR THE SAME TIME.

The same report shows :

Operating expenses.....	\$1, 240, 450. 11
Taxes	62, 750. 06
	<hr/> 1, 303, 200. 17

III.

THE NET INCOME FOR THE SAME TIME.

Gross receipts.....	\$2, 231, 849. 58
Less gross expenses.....	1, 303, 200. 17
	<hr/> 928, 649. 41

IV.

THE GROSS RECEIPTS FROM INTRASTATE BUSINESS INCLUDING PASSENGER, FREIGHT, MAIL, EXPRESS, MISCELLANEOUS, ETC., FOR THE FISCAL YEAR ENDING JUNE 30, 1898.

1. The gross intrastate and interstate passenger receipts for 1897-98.

The report of the plaintiff for the first three months of 1898, made to the Board of Railroad Commissioners, shows the interstate passenger receipts for that time, to have aggregated added to intrastate passenger receipts for same time, as shown in said report.....	\$82, 717. 72
	56, 184. 76
Total.....	<hr/> 138, 902. 48

The gross intrastate passenger receipts constitute $\frac{56\ 184\ 75}{138\ 902\ 48}$ or 40.4 per cent of the whole passenger receipts. The total passenger receipts, according to the plaintiff's report made to the Railroad Commission for the year ending June 30, 1898, amounted to.....	454, 114. 63
---	--------------

The gross intrastate passenger receipts for the year were therefore 40.4 per of \$454,114.63 or.....	183, 462. 31
And the gross interstate passenger receipts were the balance of \$454, 114.63, or.....	270, 652. 32
Making a total of.....	<hr/> 454, 114. 63

2. The gross intrastate and interstate freight receipts for 1897-98.

The same report shows :

The interstate freight receipts for the first three months of 1898, were.....	258, 709. 01
And that the intrastate freight receipts for the same time were.....	110, 597. 85
	<hr/> 369, 306. 86

The gross intrastate freight receipts for the the year constitute $\$119,597.85$, or 29.9 per cent of the whole. The total freight revenue for the year, according to the plaintiff's said annual report amounted to.....	\$1,494,267.70
The gross intrastate freight receipts for the year were therefore 29.9 per cent of \$1,494,267.70, or.....	446,786.04
And the gross interstate freight receipts for the same time were the balance of \$1,494,267.70, or.....	1,047,481.66
Making a total of.....	1,494,267.70

3. The gross intrastate miscellaneous receipts for the year 1897-98.

According to the said annual report, the receipts from mail for the same time, amounted to.....	\$109,495.38
From express.....	73,485.21
From extra baggage and storage.....	5,202.86
From car mileage balance.....	2,546.05
From telegraph companies.....	4,818.47
From rents from track, yards and terminals.....	20,962.63
From other sources.....	35,150.90
From miscellaneous income:	
Interest on rents, etc., less expenses.....	\$22,718.09
Operating hotels, less expenses.....	322.65
From lease of W. C. & A. R. R. less expenses.....	8,265.00
Making a total of miscellaneous receipts for the year 1897-98, of.....	283,467.25

This is to be divided between interstate and intrastate receipts, in the proportion which the said interstate and intrastate receipts for the first quarter of the year 1898, respectively, bear to the total passenger and freight receipts of said quarter.

The said report for the first three months of 1898 shows the total receipts from interstate and intrastate passenger and freight business to have been as follows:

Interstate freight receipts.....	\$258,709.11	
Interstate passenger receipts.....	82,717.73	\$341,426.74
Intrastate freight receipts.....	110,597.85	
Intrastate passenger receipts.....	56,184.75	166,782.60
Total interstate and intrastate freight and passenger receipts for the first three months of 1898.....		508,209.34
The proportion of miscellaneous receipts, \$283,467.25, as above, which is to be deemed intrastate receipts, is.....	$\frac{166,782.60}{508,209.34}$ or	
32.8 per cent of \$283,467.25, or.....		92,977.25
The proportion of the same sum which is to be deemed interstate receipts, is.....		190,490.00
Total.....		283,467.25

Gross receipts from intrastate business, including passenger, freight, mail, express, miscellaneous, etc., for the fiscal year ending June 30, 1898, recapitulated, were as follows:

Intrastate passenger receipts, as above.....	\$183,462.31	
Intrastate freight receipts, as above.....	446,786.04	
Interstate miscellaneous receipts, as above....	92,977.25	\$723,225.60

Gross receipts from interstate business, including passenger, freight, mail, express, miscellaneous, etc., for the same year were as follows:

Interstate passenger receipts, as above.....	\$270,652.32	
Interstate freight receipts, as above.....	1,047,481.66	
Interstate miscellaneous receipts, as above....	190,490.00	1,508,623.98
Total gross income is		2,231,849.58

The intrastate receipts from all sources are $\frac{723}{251} \frac{225}{849} \frac{60}{38}$, or 32.4 per cent of the inter and intrastate receipts from all sources.

V.

THE TOTAL NET INCOME FOR THE SAME TIME.

The said annual report shows total receipts from operation for the year 1897-'8 to have been.....	\$2,200,043.83
To which is to be added "miscellaneous income".....	31,805.75
Making a total of	2,231,849.58
Less operating expenses	\$1,240,450.11
Taxes	62,750.05
Total net income.....	928,649.41

VI.

THE TOTAL NET PROFITS OF INTRASTATE BUSINESS FOR THE SAME TIME.

Assuming that the net profits from intrastate business bear the same proportion to the gross receipts from intrastate business as the net profits from interstate and intrastate business together bear to the gross receipts from interstate and intrastate business together, such ratio is $\frac{928}{223} \frac{649}{849} \frac{41}{38}$, or 41.6 per cent.

Therefore the total net profits on intrastate business are 41.6 per cent of \$723,255.60 gross receipts from intrastate traffic as above, or \$300,874.32.

VII.

THE AMOUNT OF THE REDUCTION CAUSED BY THE PROPOSED RATES.

The fares were $3\frac{1}{4}$ cents and $2\frac{3}{4}$ cents. They have been reduced to $2\frac{1}{2}$ cents and 2 cents respectively for first- and second-class. This is a nominal reduction of an average of 25 per cent. But the reduction will not affect mileage tickets which

are sold at 2 cents and at $2\frac{1}{2}$ cents a mile for first-class passengers, nor the fares given to excursions, fairs, conventions, public meetings, ministers of the gospel, etc., which amount in the aggregate to at least one-third of the whole. Therefore the proposed rates will make an average reduction of not over two-thirds of 25 per cent, or $16\frac{2}{3}$ per cent.

The gross intrastate passenger receipts have already been found to amount to.....	\$183,462.31
16 $\frac{2}{3}$ per cent of which is	30,577.05
or the amount involved in the proposed reduction.	

This calculation is based upon the idea that the proposed reduction will apply to the domestic passenger receipts of the plaintiff's entire system of this State. This, however, is not correct. The reduction only applies to that portion of the line between Wilmington and Weldon, which is one-fourth of the whole. Taking into consideration the larger volume of business on that portion of the line, as compared with an equal mileage elsewhere, the amount involved in the said reduction can not exceed one-third of \$30,577.05 or \$10,192.35. But for the purposes of this calculation the amount involved in the reduction is largely over-estimated at \$30,577.05.

VIII.

THE NET INTRASTATE RECEIPTS FROM ALL SOURCES—FREIGHT, PASSENGER AND MISCELLANEOUS—LESS THE AMOUNT INVOLVED IN THE PROPOSED REDUCTION.

The total net profits on intrastate business from all sources were, as above.....	\$300,874.32
Deduct the amount of the reduction caused by the proposed rates as above.....	30,577.05
Balance	270,297.27

IX.

THE NET INTRASTATE RECEIPTS FROM ALL SOURCES, LESS AMOUNT INVOLVED IN THE PROPOSED REDUCTION, AFTER PAYING THEIR PROPORTION OF FIXED CHARGES, WILL PAY A DIVIDEND OF 13.5 PER CENT ON A FAIR PROPORTION OF THE CAPITAL STOCK.

From net intrastate receipts from all sources, less amount involved in the proposed reduction, as ascertained above..	\$270,297.27
Deduct 32.4 per cent (which is the proportion which gross intrastate receipts from all sources bear to the gross receipts from all sources), of the interest on funded debt, special trust certificates, equipment notes and certificates on indebtedness, called fixed charges (\$428,136.88)	138,716.34
There remains.....	131,580.93

Brought forward.....	\$131,580.93
Which is 4.38 per cent on the \$3,000,000 capital stock of the company. But, as it is expected that the dividend on the whole stock shall not be paid out of earnings from domestic business alone, but out of both domestic and foreign or interstate business, the proportion of the capital stock upon which such domestic earnings should pay a dividend is to the whole as the total intrastate receipts are to the total inter and intrastate receipts, or 32.4 per cent. Therefore the domestic earnings, when applied to that proportion of the capital stock (32.4 per cent of \$3,000,000, or, \$972,000.00), will enable the company to pay a dividend upon it of.....	13.5 per cent.

X.

THE VALUATION OF THE PROPERTY OF THE COMPLAINANT UPON
WHICH TO CALCULATE THE PERCENTAGE OF PROFIT.

(a) The tax valuation of the plaintiff's main line and tracks as assessed in June, 1897, was (see Railroad Commission Report, '97).....	\$5,498,955.00
(b) Such tax valuation, as assessed in June, 1898, was (see Railroad Commission Report, 1898; also bill of complaint, p. 15).....	7,582,775.20
(c) Cost of road to June 30, 1897, (bill of complaint, pp. 15, 38).....	10,802,242.32
(d) Cost of road to June 30, 1898, including Newbern Branch, (report of 1898).....	11,315,657.32
(e) Cost of reproduction, including Newbern Branch, as claimed by plaintiff, (bill of complaint, p. 15).....	10,292,000.00
(f) Cost of reproduction, including the Newbern Branch, as estimated by defendants—	
Original cost.....	\$10,802,242.32
Less 25 per cent.....	2,700,560.58
	8,101,681.74
(g) Capital stock.....	3,000,000.00
Funded debt, other than certificates of indebtedness issued to stockholders as a dividend.....	5,380,000.00
	8,380,000.00
(h) Capital stock.....	3,000,000.00
Funded debt, other than certificates of indebtedness.....	5,380,000.00
Certificates of indebtedness issued to stockholders in the nature of dividends.....	2,500,000.00
	10,880,000.00

XI.

THE PROPORTION OF THE VALUE OF THE PLAINTIFF'S PROPERTY WHICH SHOULD BE CONSIDERED AS APPROPRIATED TO INTRASTATE BUSINESS FOR THE PURPOSE OF CALCULATING THE PERCENTAGE OF PROFIT FROM SUCH BUSINESS.

The proportion of the total value of the plaintiff's property to be thus appropriated, is that proportion of its valuation, which the gross annual receipts from intrastate revenues bear to the gross annual receipts from all sources.

It has already been found that the gross receipts from intrastate business for 1897 and 1898 were (see above)	\$723, 225. 60
The gross annual income from all sources for the same time was	2, 231, 849. 50

The percentage or proportion of the value of the property of the railroad company, which is to be deemed as thus appropriated, is $\frac{723}{2231} \frac{225}{849} \frac{60}{50}$, or 32.4 per cent thereof.

The proportions of the several values of the property of the said railroad company, as above estimated, to be deemed appropriated to intrastate business, are as follows :

(a) 32.4 per cent of the tax valuation of 1897, \$6,498,955.00, or	\$1, 905, 136. 20
(b) 32.4 per cent of the tax valuation of 1898, \$7,582,775.00, or	2, 456, 819. 10
(c) 32.4 per cent of cost of road to June 30, 1897, \$10, 802,- 242. 32, or	3, 499, 926. 51
(d) 32.4 per cent of cost of road to June 30, 1898, including Newbern Branch, \$11,315,657.32	3, 666, 272. 97
(e) 32.4 per cent of cost of reproduction, including Newbern Branch as claimed by plaintiff, \$10,252,000.00	3, 321, 648. 00
(f) 32.4 per cent of cost of reproduction, excluding Newbern Branch as claimed by defendants, \$8,101,681.74	2, 624, 944. 87
(g) 32.4 per cent of capital stock and funded debt, exclusive of certificates of indebtedness, \$8,380,000.00	2, 715, 120. 00
(h) 32.4 per cent of capital stock, funded debt and certifi- cates of indebtedness, \$10,880,000.00	3, 525, 120. 00

XII.

THE PERCENTAGE OF PROFIT OF NET INCOME FROM INTRASTATE BUSINESS AFTER THE REDUCTION UPON VALUE OF THE PLAINTIFF'S PROPERTY AS ABOVE.

1. The net profit from intrastate business, after deducting the amount involved in the reduction of passenger fares, has been found to be \$270,297.20.

This sum is the following per cent of the following amounts deemed appropriated to intrastate business :

(a) Of the portion of tax valuation of 1897	\$1, 905, 136. 20
---	-------------------

			Per cent.
Deemed appropriated to intrastate business			
as above, the net profit, \$270 297.20, is ..	1 270 297 20 000 130 20	or	14.18
(b) Of tax valuation of 1896, it is	2 270 297 20 456 819 10	or	10.98
(c) Of cost of road to June 30, 1897, it is	3 270 297 20 499 926 51	or	7.72
(d) Of cost of road to June 30, 1898, including Newbern Branch, it is	3 270 297 20 666 272 97	or	7.37
(e) Of cost of reproduction, excluding New- bern Branch as claimed by plaintiff	3 270 297 20 321 628 00	or	8.14
(f) Of cost of reproduction, including New- bern Branch, estimated by defendant	2 270 297 20 621 944 87	or	10.27
(g) Of capital stock and funded debt	2 270 297 20 715 120 00	or	9.95
(h) Of capital stock, funded debt and certifi- cates of indebtedness	3 270 297 20 525 120 00	or	9.56

XIII.

THE PERCENTAGE OF THE NET INCOME FROM INTRASTATE BUSINESS
AFTER THE REDUCTION IN PASSENGER RATES, UPON THE BASIS
THAT THE REDUCTION WILL AFFECT ONLY ONE-FOURTH OF THE
PLAINTIFF'S MILEAGE IN NORTH CAROLINA.

The percentage of such profit, upon the value of the plain-
tiff's property, has been calculated upon the basis of its
affecting the plaintiff's entire mileage in this State, and
upon this basis the amount involved in the reduction has
been fairly estimated at

\$30,577.05

It may safely be said, that the amount involved in the reduc-
tion on the Wilmington and Weldon Railroad between
Wilmington and Weldon, which is one-fourth of its entire
mileage in the State, will not exceed one-third of the said
estimated reduction of

30,577.05

Or

10,192.35

The net intrastate receipts from all sources, as above, are ..

300,674.32

Deduct amount involved in said reduction

10,192.35

Remainder

290,461.97

which is the receipts from intrastate business after mak-
ing the reduction involved in the change of passenger rates
on the main line between Wilmington and Weldon.

This sum, \$290,461.97, is the following per cent of the following amounts deemed
appropriated to intrastate business as above:

			Per cent.
(a) Of tax valuation of 1897, it is	1 290 461 97 000 130 20	or	14.77
(b) Of tax valuation of 1898, it is	2 290 461 97 456 819 10	or	11.82
(c) Of cost of road to June 30, 1898, it is	3 290 461 97 499 926 51	or	8.29
(d) Of cost of road to June 30, 1898, including Newbern Branch, it is	3 290 461 97 666 272 97	or	8.74
(e) Of cost of reproduction, including New-			

		Per cent.
bern Branch, as estimated by plaintiff, it is.....	$\frac{290\ 461\ 97}{3\ 321\ 648\ 00}$	or 8.74
(f) Of cost of reproduction, including New- bern Branch, as estimated by defendants, it is.....	$\frac{290\ 461\ 97}{2\ 621\ 944\ 87}$	or 11.07
(g) Of capital stock and funded debt it is....	$\frac{290\ 461\ 97}{2\ 715\ 120\ 00}$	or 10.69
(h) Of capital stock, funded debt and certifi- cates of indebtedness, it is.....	$\frac{290\ 461\ 97}{3\ 525\ 120\ 00}$	or 8.21

XIV.

AFTER PAYING THEIR FAIR PROPORTION OF FIXED CHARGES OUT OF NET INTRASTATE PROFITS, THERE REMAINS ENOUGH TO PAY A LARGE DIVIDEND ON A FAIR PROPORTION OF THE CAPITAL STOCK.

The total interest paid in 1896-'7 on mortgage bonds, special trust certificates and certificates of indebtedness was (see printed report of Wilmington and Weldon for 1897, p. 49).	\$428,136.88
The fair proportion of this amount to be paid by profits from intrastate business is 32.4 per cent thereof, or.....	138,716.34
Deduct from the net receipts from intrastate business after making the proposed reduction in rates, to-wit.....	290,461.97
the said fair proportion of \$428,136.88, which should be paid by intrastate receipts, say 32.4 per cent thereof.....	138,716.34
The remainder	151,745.62
is applicable to the payment of dividends on that proportion of the capital stock which should be paid by profits from intrastate business, that is, 32.4 per cent of total capital stock, \$3,000,000.00, or.....	972,000.00
The \$151,745.62 (see above) is sufficient to pay a dividend on the \$972,000.00 (see above) of 15.61 per cent.	

XV.

ALLOWANCES FOR GREATER COST AND GREATER PROFIT FROM INTRASTATE BUSINESS.

It will be observed that no account is taken in the foregoing calculations of the increased cost intrastate or local business, estimated by the plaintiff at 10 per cent, nor of the greater profit arising from such business claimed by the defendants to exceed the profit on interstate business by $33\frac{1}{3}$ per cent. The difference of $23\frac{1}{2}$ per cent, if considered, would make the percentage of profit upon domestic revenues much larger.

XVI.

ANNUAL INCREASE OF BUSINESS.

If the plaintiff's annual revenue shall increase in the future at the same rate it has for the last four years, the percentage of profit as estimated above will be

increased at a ratio of 12.9 per cent per annum, and the reduction of rates will be more than made up by a single year's increase of profit.

In 1894-'5 the net income from operation was	\$653,522.00
1895-'6	735,990.00
1896-'7	820,198.00
1897-'8	991,399.00

This is an average annual increase of 12.9 per cent. The increase of 1898 over 1897 was 20.9 per cent. A similar increase for 1899 will cause a corresponding increase in the percentage of profit and make the plaintiff better able to stand the reduction.

XVII.

LARGER PERCENTAGE OF PROFIT ON WILMINGTON AND WELDON MAIN LINE.

If such profits are made on the plaintiff's entire system in North Carolina of 610.88 miles, embracing such railroads as the Wilmington, Newbern and Norfolk Railroad, 87 miles long, which

In 1895 made an actual deficit of	\$47,860.60
1896 a deficit of	56,948.24
and in 1897 a deficit of	50,807.49

earning less than operating expenses, it is plain that upon the parent line, the main stem, the Wilmington and Weldon Railroad proper, the percentage of profits must be enormous; and that the comparatively insignificant diminution of its receipts, which may be caused by the proposed reduction of passenger fares on its main line, will scarcely be felt by it.

PART TWO.

ASSESSMENT OF RAILROAD PROPERTY, TELEGRAPH,
STEAMBOAT AND CANAL COMPANIES,
FOR THE YEAR 1898.

The Railroad Commissioners, in accordance with Sections 42 to 50 inclusive, of Chapter 169, Laws of 1897, constituting the Board of Railroad Commissioners a Board of Appraisers and Assessors, for Railroad, Telegraph, Steamboat, and Canal Companies, assess the value of road-bed, right-of-way, depot buildings and grounds, used for railroad purposes thereon, rolling-stock and other property, and franchises of the various roads in the State, and also the different telegraph and steamboat companies for the year 1898, as follows:

STATEMENT A — Showing the Number of Miles, the Assessed Valuation per Mile, and the total Assessed Valuation of Railroads, Telegraph and Steamboat Companies in the State of North Carolina, as Determined by the Board of Railroad Commissioners.

Name of Road.	Mileage— Main Line.	Valuation Per Mile	Value of Track.	Rolling- Stock.	Other Property.	Total Valuation.
ATLANTIC COAST LINE SYSTEM—						
Albemarle and Raleigh	53.33	\$4,115	\$219,452.95	\$27,470.00	\$12,495.00	\$254,417.95
Cheraw and Darlington	13.90	3,250	45,175.00	2,650.00	3,450.00	51,275.00
Petersburg	7.18	18,000	132,800.00	14,671.00	1,000.00	148,501.00
Norfolk and Carolina	66.11	17,000	1,123,870.00	82,273.00	15,000.00	1,221,713.00
Wilmington, Columbia and Augusta	63.33	10,520	666,231.60	100,725.00	8,945.00	775,901.60
Southeastern	11.25	2,000	22,500.00	-----	1,200.00	23,700.00
Wilmington, Chadbourn and Conway	24.88	2,505	63,817.20	12,129.00	500.00	76,446.20
Wilmington and Weldon	101.40	18,000	2,905,200.00	259,992.00	79,235.00	3,244,427.00
Wilmington, Newbern and Norfolk Branch	90.32	3,750	348,700.00	42,085.00	18,405.00	399,190.00
Tarboro Branch	14.38	17,000	244,400.00	16,455.00	5,080.00	266,935.00
Scotland Neck Branch	85.82	6,240	555,516.80	46,353.00	22,565.00	604,434.80
Midland Branch	21.50	3,000	64,330.00	4,000.00	100.00	69,030.00
Wilson and Fayetteville Branch	116.20	18,000	2,091,600.00	285,513.00	30,315.00	2,357,428.00
Nashville Branch	19.20	3,560	68,332.00	12,707.00	2,800.00	83,839.00

Clinton Branch	13.43	3,325	47,340.75	8,758.00	1,330.00	57,428.75
Washington Branch	25.39	4,100	104,099.00	18,587.00	12,025.00	135,311.00
Wilmington Dummy Line	1.25	3,700	4,087.00	1,000.00	-----	5,087.50
SOUTHERN RAILWAY COMPANY—	788.87		8,678,762.80	884,808.00	216,245.00	9,779,875.80
Atlanta and Charlotte Air-Line	43.19	14,000	604,660.00	78,195.00	14,455.00	687,310.00
Atlantic, Tennessee and Ohio	45.00	7,000	315,000.00	13,765.00	6,525.00	345,390.00
Asheville and Spartanburg	41.92	7,350	308,112.00	30,710.00	3,775.00	342,597.00
Charlotte, Columbia and Augusta	11.48	15,000	172,000.00	11,360.00	11,890.00	195,450.00
Danville and Western	.75	3,000	2,250.00	-----	-----	2,250.00
High Point, Randleman, Asheboro and Southern	26.78	3,800	101,764.00	5,840.00	5,140.00	112,744.00
North Carolina	225.90	-----	3,613,500.00	114,708.00	57,580.00	3,785,793.00
Southern Railway Rolling-stock North Carolina Railroad				399,292.00	-----	399,292.00
North Carolina Midland	26.11	2,000	67,886.00	2,880.00	3,860.00	74,026.00
Northwestern North Carolina	100.15	-----	427,300.00	25,015.00	12,300.00	464,615.00
Oxford and Clarksville	49.33	4,700	233,824.20	18,200.00	4,625.00	256,649.20
Oxford and Henderson	12.72	3,800	48,336.00	2,860.00	2,900.00	54,096.00
Piedmont	42.73	17,000	726,410.00	1,830.00	7,630.00	852,430.00
State University	10.14	2,100	21,294.00	2,705.00	1,000.00	24,999.00
Statesville and Western	20.36	2,075	42,247.00	2,920.00	3,450.00	48,617.00
Western North Carolina	185.48	11,000	2,040,280.00	243,305.00	39,300.00	2,322,885.00
Southern Railway, interest in Dept.				-----	10,000.00	10,000.00
Asheville to Murphy	122.16	3,600	439,776.00	20,925.00	6,275.00	466,976.00
Yadkin	41.00	2,675	109,675.00	5,635.00	3,800.00	119,110.00
	1,005.20		9,274,514.20	1,096,705.00	194,510.00	10,565,729.20

STATEMENT A. — Continued.

Name of Road.	Mileage— Main Line.	Valuation Per Mile.	Value of Track.	Rolling Stock.	Other Property.	Total Valuation.
SEABOARD AIR-LINE SYSTEM—						
Carolina Central	264.51	-----	1,674,117.25	146,456.61	51,256.00	1,851,829.86
Durham and Northern	42.06	4,700	197,682.00	15,171.69	5,310.00	218,163.69
Georgia, Carolina and Northern	14.30	10,000	143,000.00	3,040.98	1,910.00	147,952.98
Louisburg	10.00	3,100	31,000.00	-----	1,000.00	32,000.00
Palmetto	7.00	2,000	14,000.00	1,961.50	100.00	16,061.50
Pittsboro	11.20	4,100	23,520.00	-----	320.00	23,840.00
Raleigh and Gaston	96.21	17,000	1,635,570.00	23,331.44	29,807.00	1,888,708.44
Raleigh and Augusta	106.50	-----	1,331,801.50	21,018.70	12,265.00	1,365,085.20
Roanoke and T. & R. V. R.	32.42	5,000	162,100.00	-----	4,635.00	166,735.00
Seaboard and Roanoke	9.02	18,500	351,870.00	38,282.48	3,135.00	393,287.48
Wilmington Railway Bridge Company	2.40	-----	50,000.00	-----	-----	50,000.00
	605.62		5,491,637.75	449,265.40	109,738.00	6,053,667.15
MISCELLANEOUS ROADS -						
Aberdeen and Rock Fish	24.00	1,750	40,250.00	2,100.00	300.00	42,650.00
Aberdeen and Asheboro	63.00	2,300	144,900.00	19,170.00	4,100.00	168,230.00
Atlanta, Knoxville and Northern	13.10	3,100	40,610.00	1,250.00	500.00	42,360.00
Atlantic and North Carolina	95.00	4,907	466,165.00	48,505.00	36,770.00	551,440.00
Atlantic and Danville	22.00	4,600	101,200.00	16,895.00	675.00	118,770.00
Caldwell and Northern	10.60	1,725	18,285.00	6,300.00	100.00	24,685.00
Cape Fear and Yadkin Valley	331.21	5,475	1,813,539.00	25,000.00	26,510.00	2,065,049.00

ASSESSMENT OF RAILROAD PROPERTY.

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	29.50			50,275.00	6,600.00	1,100.00	57,975.00
Carthage-----							
Carolina and Northwestern-----	62.40	2,900		180,960.00	12,447.60	2,350.00	195,757.60
Cashie and Chowan-----	1.00	1,910		36,290.00	4,200.00		40,490.00
Danville, Mocksville and Southwestern-----	7.80	2,500		19,500.00		1,200.00	20,700.00
Durham and Charlotte-----	16.00	2,000		32,800.00	2,725.00	220.00	35,745.00
East Tennessee and Western North Carolina-----	3.00	3,630		10,450.00	3,255.15	435.00	14,640.15
Egypt-----	8.00	2,000		16,000.00	8,430.00	650.00	25,080.00
Hendersonville and Brevard-----	21.70	2,070		44,485.00	5,400.00	600.00	50,545.00
Moore County-----	12.50	1,530		19,125.00	3,445.00	265.00	22,805.00
Northampton and Hertford-----	7.84	2,275		17,836.00	2,500.00	200.00	20,536.00
Norfolk and Southern-----	52.37	15,000		785,550.00	80,966.74	33,275.00	899,791.78
Pantego Division-----	29.80	3,275		97,595.00	33,396.22	7,525.00	143,516.22
New Hanover Transit Company-----	4.00	2,250		9,000.00	2,075.00		11,075.00
Norfolk and Southern --	45.65	8,000		365,200.00	21,758.25	17,101.00	404,059.25
Roanoke and Southern Division-----	41.69	5,250		218,872.50	21,758.25	4,731.00	245,361.75
Lynchburg and Durham Division-----	62.80	4,110		258,108.00	22,000.00	2,950.00	283,058.00
Ohio River and Charleston-----	21.00	800		16,800.00	3,150.00	150.00	20,100.00
Red Springs and Bowmore-----	25.50	2,500		63,750.00	6,485.00	630.00	70,865.00
Suffolk and Carolina-----	3.00	2,080		6,240.00	2,020.00	700.00	8,960.00
Warrenton-----	20.00	1,275		25,500.00	7,375.00	1,700.00	34,575.00
Wellington and Powellsville-----	11.81	3,000		35,430.00	4,230.00	1,050.00	40,710.00
Wilmington Seacoast-----	15.00	2,250		33,750.00	7,200.00	100.00	41,050.00
Winton-----							
	1,078.30			4,968,965.50	585,747.25	145,947.00	5,700,659.75

STATEMENT A.—Continued.

Owner	Kind of Property.	Total Assessed Valuation.
STEAMBOAT PROPERTY:		
Chas Wessell.....	One steamboat.....	\$600.00
Do.....	do.....	500.00
David Styron.....	do.....	600.00
J. C. Whitty.....	do.....	1,000.00
Cape Fear River Transportation Co.....	Two steamboats, one wharf.....	5,100.00
J. S. Basnight.....	One.....	250.00
S. B. Sadler F., C. and T. Co.....	Canal property.....	7,376.00
Old Dominion Steamship Co.....	Five steamers and wharf.....	45,000.00
J. G. & F. Wood.....	do.....	3,000.00
Tar River Oil Co.....	One steamer.....	2,500.00
Black River Packet Co.....	do.....	2,500.00
C. F. T. and T. Co.....	Three steamboats.....	23,500.00
Albemarle and Chesapeake Canal Co.....	Canal.....	100,000.00
Wilmington Steamship Co.....	One steamer and wharf.....	53,500.00
W. H. Ward.....	One steamer.....	500.00
Broadus & Ives.....	do.....	800.00
J. J. Lassiter.....	Two steamers and wharf.....	1,550.00
Moccasin River Steamboat Co.....	One steamer.....	1,000.00
Roanoke and Tar River Steamboat Co.....	do.....	6,461.00
D. W. Roper & Co.....	do.....	800.00
H. G. Wood.....	do.....	650.00
J. W. Harper.....	do.....	8,000.00
J. H. Gard and Jno. Thornton.....	do.....	500.00
Branning Manufacturing Co.....	Three steamers.....	7,500.00
Fairfield and Elizabeth City Trans. Co.....	One steamer.....	1,000.00
Lake Drummond Canal Co.....	Canal.....	16,000.00
		290,187.00
Newbern and Snow Hill S. B. Co.....	Three steamers.....	2,550.00
		292,737.00
Walter Taft.....		700.00
G. C. Hewbett.....	One steamer.....	500.00
		293,937.00

STATEMENT A.—Continued.

Name.	Total Assessed Value.
TELEGRAPH COMPANIES:	
Western Union Telegraph Co.....	\$750,000.00
Atlantic Postal Telegraph Cable Co	50,000.00
Carthage Telegraph Line.....	210.00
Pittsboro Telegraph Line	250.00
Louisburg Telegraph Line.....	200.00
United Telegraph Co.....	85.00
Cleveland Springs Telegraph Co.....	50.00
Oak Ridge and Stokesdale Telegraph Co.....	140.00
Elizabeth City and Norfolk Telegraph Co.....	1,350.00
Lenoir and Blowing Rock Telegraph Co.....	480.00
Swepsonville Telegraph Line	80.00
Carolina Postal Telegraph Co	165.00
Wilmington and Southport Telegraph Co	500.00
	803,510.00
Pullman Palace Car Company:	
Sleeping Cars in and passing through North Carolina	96,918.15
Mercantile Trust and Deposit Co.:	
Rolling-stock over Seaboard Air-Line Roads	326,071.94

STATEMENT A—Recapitulation.

Name.	Total Assessed Value.
Atlantic Coast Line System.....	\$9,779,875.80
Southern Railway.....	10,565,729.20
Seaboard Air-Line	6,053,667.15
Miscellaneous Roads.....	5,700,659.75
Pullman Palace Car Co	96,918.15
Mercantile Trust and Deposit Co	326,071.94
Total	32,522,921.19
Telegraph Companies	803,510.00
Steamboat Companies	293,437.00
Total valuation	33,619,868.19

STATEMENT B.—Showing Railroads, Assessed Value, Apportioned to Counties and Towns in Proportion to Mileage.

The following is a list of Railroads in North Carolina, and valuation placed thereon for State, County and Municipal taxation for the year 1898, by the Board of Railroad Commissioners of North Carolina:

Name of Road.	County.	Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
Aberdeen and Rock Fish -----	Moore -----	-----	3.00	\$1,854.34	\$5,563.04
Road-bed, etc., at \$1,750 per mile, 23 miles -----	Cumberland -----	-----	20.00	1,854.34	37,036.95
Rolling-stock ----- \$2,100.00		Aberdeen -----	.50	1,854.34	927.17
Depots, etc. ----- 300.00					
Total valuation ----- 2,400.00					
Valuation per mile ----- 42,650.10					
Valuation per mile ----- 1,854.34					
Aberdeen and Asheboro -----	Moore -----	-----	23.25	2,670.31	62,084.89
Road-bed, etc., at \$2,300 per mile, 63 miles -----	Montgomery -----	-----	24.25	2,670.31	64,755.20
Rolling-stock ----- \$19,170.00	Randolph -----	-----	15.50	2,670.31	41,389.91
Depots, etc. ----- 4,160.00		Aberdeen -----	.50	2,670.31	1,335.15
Total valuation ----- 23,330.00		Asheboro -----	.50	2,670.31	1,335.15
Valuation per mile ----- 168,230.00		Candor -----	.50	2,670.31	1,335.15
Valuation per mile ----- 2,670.31		Troy -----	.25	2,670.31	667.57
		Star -----	1.00	2,670.31	2,670.31
Atlantic and Danville -----	Caswell -----	-----	14.60	5,398.63	78,820.11
Road-bed, etc., at \$4,600 per mile, 22 miles -----	Person -----	-----	5.20	5,398.63	28,072.90
Rolling-stock ----- \$16,895.00	Granville -----	-----	2.20	5,398.63	11,876.99
Depots, etc. ----- 675.00					
Total valuation ----- 17,570.00					
Valuation per mile ----- 118,770.00					
Valuation per mile ----- 5,398.63					

ASSESSMENT OF RAILROAD PROPERTY.

[illegible]

STATEMENT B.—Continued.

Name of Road.	County.	Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
Carolina and Northwestern	Gaston	-----	19.26	3,137.14	60,421.31
Road-bed, etc., at \$2,900 per mile, 62.40 miles.	Lincoln	-----	14.26	3,137.14	44,735.64
Rolling-stock	Catawba	-----	11.86	3,137.14	37,206.49
Depots, etc.	Burke	-----	2.18	3,137.14	6,838.96
	Caldwell	-----	14.84	3,137.14	46,555.17
Total valuation	Dallas	-----	1.10	3,137.14	3,450.85
Valuation per mile	Gastonia	-----	1.65	3,137.14	5,176.28
	Lincolnton	-----	1.02	3,137.14	3,199.88
	Newton	-----	1.89	3,137.14	5,929.19
	Maiden	-----	1.16	3,137.14	3,639.08
	Hickory	-----	.45	3,137.14	1,411.71
	Lenoir	-----	.86	3,137.14	2,697.94
	New Hanover	-----	7.23	6,234.54	45,075.71
Cape Fear and Yadkin Valley	Pender	-----	21.90	6,234.54	136,536.43
Road-bed, etc., at \$5,475 per mile, 331.24 miles.	Sampson	-----	38.92	6,234.54	242,648.30
Rolling-stock	Cumberland	-----	38.28	6,234.54	238,658.20
Depots, etc.	Robeson	-----	26.20	6,234.54	163,314.95
Total valuation	Richmond	-----	9.66	6,234.54	60,225.64
Valuation per mile	Harnett	-----	13.60	6,234.54	84,789.73
	Moore	-----	12.62	6,234.54	78,679.88
	Cutham	-----	29.63	6,234.54	184,729.44
	Randolph	-----	30.49	6,234.54	190,091.14
	Gulford	-----	41.28	6,234.54	257,361.81

Cape Fear and Yadkin Valley—Continued.

Rockingham-----	10.44	6,234.54	65,008.58
Forsyth-----	10.77	6,234.54	67,145.98
Stokes-----	20.80	6,234.54	129,678.44
Surry-----	19.42	6,234.54	121,074.17
Wilmington-----	.01	6,234.54	62.24
Roxboro-----	.50	6,234.54	3,117.26
Fayetteville-----	2.85	6,234.54	17,708.44
Jonesboro-----	1.00	6,234.54	66,234.54
Sanford-----	1.10	6,234.54	6,234.54
Siler City-----	1.06	6,234.54	6,598.61
Greensboro-----	2.85	6,234.54	17,708.43
Germanton-----	.50	6,234.54	3,117.26
Pilot Mountain-----	1.48	6,234.54	9,227.1
Mt. Airy-----	2.01	6,234.54	12,531.42
Hope Mills-----	1.50	6,234.54	9,351.80
Red Springs-----	1.00	6,234.54	6,234.53
Maxton-----	1.02	6,234.54	6,359.22
Madison-----	.56	6,234.54	3,491.34
Liberty-----	1.43	6,234.54	8,915.39
Ramseur-----	.75	6,234.54	4,675.90
Moore-----	29.50	1,965.25	57,975.00
Carthage-----	1.00	1,965.25	1,965.25
Cameron-----	.50	1,965.25	982.62
Carthage-----			
Road-bed, etc., 12 miles at \$1,200 and 17.50 miles at \$2,050-----		\$50,275.00	
Rolling-stock-----		\$6,600.00	
Depots, etc.-----		1,100.00	
Total valuation-----		57,975.00	
Valuation per mile-----		1,965.25	

STATEMENT B --Continued.

Name of Road.	County.	Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
Cashie and Chowan	Bertie		19.00	\$2,131.05	\$40,490.00
Road-bed, etc., at \$1,910 per mile 19 miles					\$36,290.00
Rolling stock					\$4,200.00
Depots, etc.					4,200.00
Total valuation					40,490.00
Valuation per mile				2,131.05	
Danville, Mocksville and Southwestern	Rockingham		7.80	2,653.85	20,700.00
Road bed, etc., at \$2,500 per mile 7.80 miles					\$19,500.00
Rolling stock					\$
Depots, etc.					1,200.00
Total valuation					20,700.00
Valuation per mile				2,653.85	
Durham and Charlotte	Chatham		5.27	2,234.06	11,773.50
Road-bed, etc., at \$2,050 per mile, 16 miles					\$32,800.00
Rolling stock					\$2,725.00
Depots, etc.	Moore		10.73	2,234.06	23,971.50
					220.00
Total valuation					35,745.00
Valuation per mile					2,234.06

East Tennessee and Western North Carolina	Mitchell			
Road-bed, etc., at \$3,650 per mile, 3 miles				4,880.05
Rolling-stock				14,640.00
Depots, etc.				4,880.05
				3.00
Total valuation				
Valuation per mile				1.00
Egypt	Chatham			
Road-bed, etc., at \$2,000 per mile, 8 miles				3,135.00
Rolling-stock				25,080.00
Depots, etc.				8.00
Total valuation				
Valuation per mile				
Hendersonville and Brevard	Henderson			
Road-bed, etc., at \$2,050 per mile, 21.70 miles				27,718.23
Rolling-stock				2,829.26
Depots, etc.				2,829.26
				2,829.26
Total valuation				1,164.63
Valuation per mile				931.70
Moore County	Transylvania			
Road-bed, etc., at \$1,530 per mile, 12.50 miles				11.90
Rolling-stock				9.80
Depots, etc.				.50
				.40
Total valuation				
Valuation per mile				
Moore County	Hendersonville			
Road-bed, etc., at \$1,530 per mile, 12.50 miles				12.00
Rolling-stock				.50
Depots, etc.				.50
Total valuation				
Valuation per mile				
Moore County	Brevard			
Road-bed, etc., at \$1,530 per mile, 12.50 miles				21,892.00
Rolling-stock				912.20
Depots, etc.				912.20
Total valuation				
Valuation per mile				
Moore County	Aberdeen			
Road-bed, etc., at \$1,530 per mile, 12.50 miles				1,824.40
Rolling-stock				22,805.00
Depots, etc.				1,824.40
Total valuation				
Valuation per mile				

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
New Hanover Transit Company	New Hanover		4.00		\$11,075.00
Road-bed, etc., at \$2,250 per mile, 4 miles					
Rolling-stock					\$2,075.00
Depots, etc.					2,075.00
Total valuation					11,075.00
Valuation per mile					
Northampton and Hertford	Northampton		7.84	\$2,619.39	20,536.00
Road-bed, etc., at \$2,275 per mile, 7.84 miles					
Rolling-stock					\$2,500.00
Depots, etc.					200.00
Total valuation					20,536.00
Valuation per mile					2,619.35
NORFOLK AND SOUTHERN—					
Main Line	Currituck		14.30	17,181.45	245,694.73
Road-bed, etc., at \$15,000 per mile, 52.37 miles	Camden		5.00	17,181.45	85,907.25
Rolling-stock	Pasquotank		12.57	17,181.45	215,970.82
Depots, etc.	Chowan		4.20	17,181.45	72,100.09
	Perquimans		16.30	17,181.45	280,057.63
Total valuation	Elizabeth City		.80	17,181.45	13,745.16
Valuation per mile	Windfall		.50	17,181.45	8,590.72
	Edenton		1.10	17,181.45	18,899.59

Pantego Division	Washington	18.40	4,815.98	86,087.65
Road-bed, etc., at \$3.25 per mile 29.80 miles	Beaufort	11.80	4,815.98	56,828.57
Rolling-stock				
Depots, etc.	Pantego	.50	4,815.98	2,407.95
Total valuation				
Valuation per mile				
NORFOLK AND WESTERN—				
Roanoke and Southern Division	Rockingham	20.02	8,851.24	177,201.89
Road-bed, etc., at \$8,000 per mile, 45.65 miles	Stokes	10.47	8,851.24	94,442.76
Rolling-stock	Forsyth	14.95	8,851.24	132,414.60
Depots, etc.	Stoneville	1.03	8,851.24	9,116.78
Total valuation	Madison	1.69	8,851.24	14,938.60
Valuation per mile	Winston	1.17	8,851.24	10,355.95
	Salem	.25	8,851.24	2,212.81
Lynchburg and Durham Division	Person	22.19	5,885.37	130,596.76
Road-bed, etc., at \$5,250 per mile, 41.69 miles	Durham	19.50	5,885.37	114,764.99
Rolling-stock				
Depots, etc.	Roxboro	.98	5,885.37	5,707.66
Total valuation	Durham	.13	5,885.37	765.00
Valuation per mile				
Ohio River and Charleston	Cleveland	22.00	4,507.29	99,160.45
Road-bed, etc., at \$4,110 per mile, 62.80 miles	Rutherford	27.50	4,507.29	123,950.56
Rolling-stock	McDowell	13.30	4,507.29	59,946.99
Depots, etc.	Forest City	1.25	4,507.29	5,634.12
Total valuation	Marion	.63	4,507.29	2,839.59
Valuation per mile	Mooresboro	1.00	4,507.29	4,507.29

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>Ohio River and Charleston—Continued.</i>					
Red Springs and Bowmore	Robeson	Shelby	1.36	\$4,507.29	\$6,129.92
Road-bed, etc., at \$800.00 per mile, 21 miles					
Rolling-stock	Richmond	Earle's	1.00	4,507.29	4,507.29
Depots, etc			15.00	957.14	14,357.15
Total valuation			6.00	957.14	5,742.85
Valuation per mile			.20	937.14	191.42
<i>Suffolk and Carolina</i>					
Road-bed, etc., at \$2,779.02 per mile, \$25.50 miles	Gates		17.50	2,779.02	48,632.85
Rolling stock	Chowan		8.00	2,779.02	22,232.15
Depots, etc					
Total valuation					
Valuation per mile					
<i>Warrenton</i>					
Road-bed, etc., at \$2,030 per mile, 3 miles	Warren		3.00		8,960.00
Rolling-stock					
Depots, etc					
Total valuation					
Valuation per mile					

Wellington and Powellsville	Bertie	Windsor	20.00	1,728.75	34,575.00
Road-bed, etc., at \$1,275 per mile, 20 miles					
Rolling-stock			1.50	1,728.75	2,593.12
Depots, etc.					
Total valuation					
Valuation per mile					
Wilmington Sea Coast	New Hanover		11.81	3,447.08	40,710.00
Road-bed, etc., at \$3,447.08 per mile, 11.81 miles					
Rolling-stock					
Depots, etc.					
Total valuation					
Valuation per mile					
Winton	Hertford		15.00	2,736.67	41,050.00
Road-bed, etc., at \$2,250 per mile, 15 miles					
Rolling-stock					
Depots, etc.					
Total valuation					
Valuation per mile					

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
SEABOARD AIR LINE SYSTEM.					
Carolina Central.....	New Hanover.....	-----	1.01	\$7,000.98	\$7,070.90
Road-bed, etc., 83.10 miles at \$10.500 per mile	Brunswick.....	-----	12.20	7,000.98	85,411.98
25.58, miles at \$6,000 per mile, 185.88 miles	Columbus.....	-----	8.90	7,000.98	62,308.74
at \$5,075 per mile.....	Bladen.....	-----	32.80	7,000.98	229,632.24
Rolling stock, etc.....	Robeson.....	-----	30.60	7,000.98	214,230.08
Depots, etc.....	Richmond.....	-----	32.70	7,000.98	228,932.14
	Anson.....	-----	27.50	7,000.98	192,527.01
Total valuation.....	Union.....	-----	25.50	7,000.98	178,525.05
Valuation per mile.....	Mecklenburg.....	-----	23.90	7,000.98	167,323.47
	Gaston.....	-----	17.56	7,000.98	122,517.19
	Lincoln.....	-----	15.60	7,000.98	109,215.32
	Cleveland.....	-----	21.30	7,000.8	149,120.92
	Rutherford.....	-----	15.00	7,000.98	105,014.73
	Wilmington.....	-----	1.00	7,000.98	7,000.98
	Lumberton.....	-----	.30	7,000.98	2,100.29
	Maxton.....	-----	.50	7,000.98	3,510.49
	Laurinburg.....	-----	1.20	7,000.98	8,401.17
	Rockingham.....	-----	.50	7,000.98	3,500.49
	Lilesville.....	-----	1.06	7,000.98	7,000.98
	Polkton.....	-----	1.00	7,000.98	7,000.98
	Marshville.....	-----	1.00	7,000.98	7,000.98
	Monroe.....	-----	.70	,000.98	4,900.68

Carolina Central—Continued.		Matthews	.90	7,000.98	6,300.88
		Charlotte	1.10	7,000.98	7,701.08
		Mt. Holly	1.30	7,000.98	9,101.27
		Stanly Creek	.50	7,000.98	3,500.49
		Cherryville	1.00	7,000.98	7,000.98
		Lincolnton	.90	7,000.98	6,300.88
		Waco	1.00	7,000.98	7,000.98
		Shelby	1.10	7,000.98	7,701.08
		Ellenboro	1.30	7,000.98	9,101.27
		Hamlet	1.51	7,000.98	10,571.48
		Vance	7.50	5,186.96	38,902.22
		Granville	22.36	5,186.96	115,980.52
		Wake	1.15	5,186.96	5,965.00
		Durham	11.05	5,186.96	57,315.00
		Henderson	.65	5,186.96	3,371.52
		Durham	1.03	5,186.96	5,342.57
		Wake	23.50	11,878.76	279,150.91
		Chatham	16.00	11,878.76	190,000.19
		Moore	38.50	11,878.76	457,332.38
		Richmond	28.50	11,878.76	338,544.72
		Raleigh	.20	11,878.76	2,375.75
		Cary	1.10	11,878.76	13,066.63
		Apex	.01	11,878.76	118.78
		Sanford	1.00	11,878.76	11,878.76
		Cameron	.08	11,878.76	950.30
		Manly	1.00	11,878.76	11,878.76
		Durham and Northern			
		Road-bed, etc., at \$4.700 per mile, 42.06 miles.		\$197,682.00	
		Rolling-stock		\$45,171.69	
		Depots, etc.		5,310.00	20,481.69
		Total valuation		218,163.69	
		Valuation per mile		5,186.96	
		Raleigh and Augusta			
		Road-bed, etc., 10.72 miles at \$3,000 per mile,			
		95.78 miles at \$12,525 per mile		\$1,231,804.50	
		Rolling-stock		\$21,018.70	
		Depots, etc.		12,265.00	33,283.70
		Total valuation		1,265,088.20	
		Valuation per mile		11,878.70	

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
Raleigh and Augusta—Continued.					
		Southern Pines-----	1.46	\$11,878.76	\$17,342.99
		Keyser-----	1.00	11,878.76	11,878.76
		Aberdeen-----	1.00	11,878.76	11,878.76
		Hamlet-----	.99	11,878.76	11,759.99
Raleigh and Gaston-----	Wake-----		18.75	19,631.10	368,083.18
Road-bed, etc., at \$17,000 per mile, 96.21 miles \$1,635,370.00	Franklin-----		12.91	19,631.10	253,437.54
Rolling-stock----- \$223,331.44	Vance-----		20.85	19,631.10	409,308.50
Depots, etc.----- 29,807.00	Warren-----		23.71	19,631.10	465,453.47
Total valuation----- 253,138.44	Halifax-----		19.99	19,631.10	392,425.75
Valuation per mile----- 1,888,708.41		Raleigh-----	.90	19,631.10	17,667.99
		Wake Forest-----	1.00	19,631.10	19,631.10
		Youngsville-----	.50	19,631.10	9,815.55
		Franklinton-----	.80	19,631.10	15,704.88
		Kittrell-----	.70	19,631.10	5,889.33
		Henderson-----	1.40	19,631.10	27,483.54
		Macon-----	1.00	19,631.10	19,631.10
		Littleton-----	1.40	19,631.10	27,483.54
		Weldon-----	.40	19,631.10	7,852.44
		Vaughan-----	.85	19,631.10	16,686.43

ASSESSMENT OF RAILROAD PROPERTY.

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Georgia, Carolina and Northern			Union		
Road-bed, etc., at \$10,000 per mile, 14.30 miles.	\$143,000.00			14.30	10,346.36
Rolling-stock	\$3,042.98		Monroe	.78	10,346.36
Depots, etc.	1,910.00	4,952.98	Waxhaw	.31	10,346.36
Total valuation	147,952.98				
Valuation per mile	10,346.36				
Louisburg			Franklin		
Road-bed, etc., at \$3,100 per mile, 10 miles.	\$31,000.00			10.00	3,200.00
Rolling-stock			Louisburg	.48	3,200.00
Depots, etc.	\$1,000.00	1,000.00	Franklinton	.16	3,200.00
Total valuation	32,000.00				32,000.00
Valuation per mile	3,200.00				3,200.00
Roanoke and Tar River			Northampton		
Road-bed, etc., at \$5,000 per mile, 32.42 miles.	\$162,100.00		Bertie	14.82	5,142.97
Rolling-stock				7.60	5,142.97
Depots, etc.	\$4,635	4,635.00	Kelford	.57	5,142.97
Total valuation	166,735.00				
Valuation per mile	5,142.96				
Seaboard and Roanoke			Northampton		
Road-bed, etc., at \$18,500 per mile, 19.02 miles.	\$351,870.00		Halifax	18.72	20,677.57
Rolling-stock	\$38,282.48			.30	20,677.57
Depots, etc.	3,135.00	41,417.48	Seaboard	1.00	20,677.57
Total valuation	393,287.48		Gary's	1.50	20,677.57
Valuation per mile	20,677.57		Weldon	.30	20,677.57
				1.00	20,677.57

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>SEABOARD AIR LINE SYSTEM—Continued.</i>					
Palmetto	Richmond				
Road bed, etc., at \$2,000 per mile, 7 miles			7.00	\$2,294.50	\$16,061.50
Rolling stock		Hamlet	.76	2,294.50	1,743.82
Depots, etc.					
					2,061.50
Total valuation					16,061.50
Valuation per mile					2,294.50
Pittsboro	Chatham				
Road bed, etc., at \$2,100 per mile, 11.20 miles			11.20	2,128.56	23,840.00
Rolling stock		Pittsboro	.33	2,128.56	702.42
Depots, etc.					
					320.00
Total valuation					23,840.00
Valuation per mile					2,128.56
Wilmington Railway Bridge Company	New Hanover				
Road bed, etc., at \$----- per mile, 2.40 miles			2.36	20,833.33	49,166.67
Total valuation	Brunswick		.40	20,833.33	833.33
					50,000.00

SOUTHERN RAILWAY SYSTEM—

Atlanta and Charlotte Air Line	Cleveland	8.77	\$16, 145. 17	\$141, 593. 16
Road-bed, etc., at \$14, 000 per mile, 43. 19 miles.	Gaston	23. 00	16, 145. 17	371, 318. 97
Rolling-stock	Mecklenburg	11. 42	16, 145. 17	184, 377. 87
Depots, etc		.50	16, 145. 17	8, 072. 58
92, 650. 00				
Total valuation	Kings Mountain	1. 53	16, 145. 17	24, 702. 12
Valuation per mile	Gastonia	1. 43	16, 145. 17	23, 087. 59
16, 145. 17	Lowell	.96	16, 145. 17	15, 499. 36
	Charlotte	1. 85	16, 145. 17	29, 808. 56
	Bessemer City	2. 96	16, 145. 17	47, 789. 70
		23. 40	7, 450. 89	174, 350. 80
Atlantic, Tennessee and Ohio	Mecklenburg	21. 60	7, 450. 89	160, 939. 20
Road-bed, etc., at \$7, 000 per mile, 45 miles	Iredell	1. 45	7, 450. 89	10, 803. 79
Rolling-stock		1. 00	7, 450. 89	7, 450. 89
Depots, etc		1. 08	7, 450. 89	8, 046. 96
20, 290. 00		2. 00	7, 450. 89	14, 901. 78
Total valuation		.26	7, 450. 89	1, 937. 23
Valuation per mile		10. 00	8, 172. 64	81, 726. 38
		21. 56	8, 172. 64	176, 202. 09
Asheville and Spartanburg		10. 36	8, 172. 64	84, 668. 53
Road-bed, etc., at \$7, 350 per mile, 41. 92 miles	Polk	1. 41	8, 172. 64	11, 523. 42
Rolling-stock	Henderson	1. 00	8, 172. 64	8, 172. 64
Depots, etc	Buncombe	1. 00	8, 172. 64	8, 172. 64
34, 485. 00		1. 00	8, 172. 64	8, 172. 64
Total valuation		1. 00	8, 172. 64	8, 172. 64
Valuation per mile		.14	8, 172. 64	1, 144. 17
342, 597. 00				
8, 172. 64				

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
SOUTHERN RAILWAY SYSTEM—Continued.					
Charlotte, Columbia and Augusta	Mecklenburg	-----	11.48	\$17,025.26	\$195,450.00
Road-bed, etc., at \$15,000 per mile, 11.48 miles.		Charlotte -----	.40	17,025.26	6,810.10
Rolling-stock ----- \$11,360.00		Pineville -----	1.00	17,025.26	17,025.26
Depots, etc. ----- 11,890.00					
23,250.00					
Total valuation -----					
195,450.00					
Valuation per mile -----					
17,025.26					
Danville and Western	Caswell	-----	.75	3,000.00	2,250.00
Road-bed, etc., at \$3,000 per mile, .75 miles -----					
\$2,250.00					
Total valuation -----					
2,250.00					
Valuation per mile -----					
3,000.00					
High Point, Randleman, Asheboro and Southern	Guilford	-----	3.04	4,210.00	12,798.45
Road-bed, etc., at \$3,800 per mile, 26.78 miles -----					
\$101,761.00					
Rolling stock ----- \$5,840.00		High Point -----	23.74	4,210.00	99,945.55
Depots, etc. ----- 5,140.00		Randleman -----	1.88	4,210.00	5,809.90
10,980.00		Asheboro -----	.77	4,210.00	3,241.75
Total valuation -----		Trinity -----	.41	4,210.00	1,726.13
112,744.00					
Valuation per mile -----					
4,210.00					
			.76	4,210.00	3,199.65

North Carolina-----	Wayne-----	10.47	16,758.71	175,463.71
Road-bed, etc., 21 miles at \$8,000 per mile, 2.70 miles at \$3,000 per mile, 202.20 miles at \$17,000 per mile-----	Johnston-----	26.24	16,758.71	439,748.61
Rolling-stock-----\$114,708.00	Wake-----	30.12	16,758.71	506,448.30
Depots, etc.-----57,585.00	Durham-----	16.22	16,758.71	271,836.20
Total valuation-----3,785,793.00	Orange-----	17.27	16,758.71	239,422.95
valuation per mile-----16,758.71	Alamance-----	17.05	16,758.71	285,736.05
	Guilford-----	33.37	16,758.71	559,238.24
	Randolph-----	.60	16,758.71	10,055.22
	Davidson-----	24.80	16,758.71	415,616.07
	Rowan-----	20.60	16,758.71	345,229.48
	Cabarrus-----	17.16	16,758.71	287,579.50
	Mecklenburg-----	11.90	16,758.71	199,428.67
	Goldsboro-----	.70	16,758.71	11,731.10
	Princeton-----	.40	16,758.71	6,703.48
	Pine Level-----	1.00	16,758.71	16,758.71
	Selma-----	1.00	16,758.71	16,758.71
	Clayton-----	1.06	16,758.71	17,764.23
	Raleigh-----	1.00	16,758.71	16,758.71
	Cary-----	1.00	16,758.71	16,758.71
	Morrisville-----	.60	16,758.71	10,055.22
	Durham-----	1.20	16,758.71	20,110.45
	Hillsboro-----	.13	16,758.71	2,178.63
	Mebane-----	1.00	16,758.71	16,758.71
	Burlington-----	2.00	16,758.71	33,517.42
	Gibsonville-----	.63	16,758.71	10,557.98
	Greensboro-----	2.11	16,758.71	35,360.88
	High Point-----	2.44	16,758.71	40,891.25

STATEMENT B—Continued.

Name of Road.	County.	Town	Distance.	Valuation Per Mile.	Total Assessed Value.
SOUTHERN RAILWAY SYSTEM—Continued.					
North Carolina.....		Thomasville.....	1.00	\$16,758.71	\$16,758.71
		Lexington.....	.50	16,758.71	8,379.35
		Salisbury.....	1.30	16,758.71	21,786.32
		China Grove.....	1.00	16,758.71	16,758.71
		Concord.....	1.46	16,758.71	24,467.71
		Charlotte.....	1.29	16,758.71	21,618.73
		Graham.....	.47	16,758.71	7,876.59
		Elon College.....	.69	16,758.71	11,563.51
North Carolina Midland.....	Forsyth.....		13.73	2,858.13	39,242.24
Road-bed, etc., at \$2,600 per mile, 26.11 miles.....	Davie.....		12.38	2,858.13	35,383.76
Rolling stock.....		Winston.....	.94	2,858.13	2,686.64
Depots, etc.....		Mocksville.....	.90	2,858.13	2,572.32
Total valuation.....					
Valuation per mile.....					
Northwestern North Carolina.....	Gulford.....		12.20	4,639.18	56,598.00
Road-bed, etc., 25.37 at \$8,000 per mile, and 74.78 miles, \$5,000.....	Forsyth.....		36.71	4,639.18	170,304.33
Rolling stock.....	Surry.....		33.13	4,639.18	153,686.06
Depots, etc.....	Wilkes.....		18.11	4,639.18	84,015.56
Total valuation.....		Kernersville.....	1.29	4,639.18	5,984.54
Valuation per mile.....		Salem.....	.37	4,639.18	1,726.49
		Winston.....	1.29	4,639.18	5,984.54

North Western North Carolina—Continued.

Oxford and Clarksville	Elkin	1.62	4,639.18	7,515.47
Road-bed, etc., at \$4.740 per mile, 49.33 miles	North Wilkesboro	1.49	4,939.18	6,912.37
Rolling stock	Granville	38.15	5,202.70	198,482.86
Depots, etc.	Durham	11.18	5,202.70	58,166.14
	Oxford	.70	5,202.70	3,641.88
	Durham	.30	5,202.70	1,560.80
Total valuation				
Valuation per mile				
Oxford and Henderson	Granville	5.66	4,252.83	24,071.02
Road-bed, etc., at \$3,800 per mile, 12.72 miles	Vance	7.06	4,252.83	30,024.98
Rolling stock				
Depots, etc.	Oxford			
	Henderson	.36	4,252.83	1,531.01
Total valuation				
Valuation per mile				
Piedmont	Caswell	7.10	19,949.21	141,639.43
Road-bed, etc., at \$17,000 per mile, 42.73 miles	Rockingham	21.20	19,949.21	422,923.38
Rolling stock	Gulford	14.43	19,949.21	287,867.19
Depots, etc.	Ruffin	1.00	19,949.21	19,949.21
	Reidsville	1.14	19,949.21	22,742.11
Total valuation	Greensboro	1.80	19,949.21	35,908.59
Valuation per mile				

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
SOUTHERN RAILWAY SYSTEM—Continued.					
WESTERN NORTH CAROLINA.					
Salisbury to Paint Rock	Rowan	-----	17.52	\$12,523.64	\$219,414.19
Road bed, etc., at \$11,000 per mile, 185.48 miles	Iredell	-----	20.11	12,523.64	251,870.42
Rolling stock	Catawba	-----	22.94	12,523.64	287,292.33
Depots, etc.	Burke	-----	29.70	12,523.64	371,932.15
	McDowell	-----	32.24	12,523.64	403,782.20
Total valuation	Buncombe	-----	34.67	12,523.64	431,194.65
Valuation per mile	Madison	-----	28.30	12,523.64	354,419.06
	Salisbury	-----	1.27	12,523.64	15,905.02
	Cleveland	-----	.70	12,523.64	8,766.55
	Statesville	-----	.74	12,523.64	9,267.49
	Newton	-----	.41	12,523.64	5,134.70
	Claremont	-----	1.00	12,523.64	12,523.64
	Conover	-----	1.04	12,523.64	13,045.59
	Hickory	-----	2.00	12,523.64	25,047.29
	Morganton	-----	1.59	12,523.64	19,912.59
	Glen Alpine	-----	1.00	12,523.64	12,523.64
	Marion	-----	1.28	12,523.64	16,030.26
	Old Fort	-----	.75	12,523.64	9,392.73
	Catawba	-----	1.00	12,523.64	12,523.64
	Asheville	-----	1.54	12,523.64	19,286.40
	Marshall	-----	1.03	12,523.64	12,899.35

STATEMENT B—Continued.

Name of Road.	County.	Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>SOUTHERN RAILWAY SYSTEM—Continued.</i>					
Statesville and Western	Iredell		11.20	\$2,387.87	\$26,744.13
Road-bed, etc., at \$2,075 per mile, 20.36 miles	Alexander		9.16	2,387.87	21,872.87
Rolling-stock		Statesville	.67	2,387.87	1,569.87
Depots, etc.		Taylorsville	.42	2,387.87	1,002.90
Total valuation					
48,617.00					
Valuation per mile					
2,387.68					
Yadkin	Rowan		16.16	2,905.12	48,399.34
Road-bed, etc., at \$2,675 per mile, 41 miles	Cabarrus		1.15	2,905.12	3,340.88
Rolling-stock	Stanly		23.19	2,905.12	67,399.78
Depots, etc.		Salisbury	.52		1,510.66
		Albemarle	1.00		2,905.12
		New London	1.65		4,793.44
		Norwood	.35		1,016.79
Total valuation					14,673.85
119,110.00					
Valuation per mile					21,168.60
2,905.12					
Southern Railway (owned Lines), Charlotte to Pinners Point (rolling-stock)	Mecklenburg				25,412.18
\$399,292.10	Cabarrus				30,563.30
	Rowan				740.17
	Davidson				41,165.28
	Randolph				21,082.90
	Gulford				
	Alamance				
	Orange				21,304.29

Southern Railway (owned lines) Charlotte to Pinners Point—
Continued.

Durham	20,009.02
Wake	33,948.69
Johnston	32,986.49
Wilson	30,316.58
Nash	3,947.53
Edgecombe	33,245.54
Halifax	16,332.88
Bertie	16,147.81
Gates	18,306.64
Hertford	17,921.22
Selma	1,233.60
Clayton	1,307.61
Raleigh	1,233.60
Cary	1,233.60
Morrisville	740.17
Durham	1,480.32
Hillsboro	100.36
Mebane	1,233.60
Graham	579.79
Burlington	2,467.20
Elon College	851.18
Gibsonville	777.16
Greensboro	2,602.89
High Point	3,009.98
Thomasville	1,233.60
Lexington	616.80
Salisbury	1,603.68

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
Southern Railway (owned lines) Charlotte to Planners Point— <i>Continued.</i>		China Grove	-----	-----	\$1,233.60
		Concord	-----	-----	1,801.05
		Charlotte	-----	-----	1,591.34
		Raleigh	-----	-----	10,000.00
Southern Railway Interest in Depot, Raleigh	Wake				
ATLANTIC COAST LINE SYSTEM.					
Wilmington and Weldon	New Hanover		9.42	20,101.78	189,358.75
Road bed, etc., at \$18,000 per mile, 161.40 miles. \$2,905,200.00	Pender		25.19	20,101.78	506,363.79
Rolling-stock	Duplin		33.96	20,101.78	682,656.40
Depots, etc.	Wayne		29.76	20,101.78	598,228.91
	Wilson		19.81	20,101.78	398,216.24
	Nash		11.18	20,101.78	224,737.88
	Edgecombe		10.15	20,101.78	204,033.04
	Halifax		21.93	20,101.78	440,831.99
		Wilmington	1.57	20,101.78	31,559.79
		Burgaw	1.00	20,101.78	20,101.78
		Wallace	.50	20,101.78	10,050.88
		Magnolia	1.00	20,101.78	20,101.78
		Warsaw	1.00	20,101.78	20,101.78
		Faison	.68	20,101.78	13,669.20
		Mt. Olive	.50	20,101.78	10,050.88
		Goldsboro	1.90	20,101.78	38,193.37
		Pikeville	.65	20,101.78	13,066.15
		Fremont	.85	20,101.78	17,086.51
Total valuation					3,244,427.01
Valuation per mile				20,101.78	

ASSESSMENT OF RAILROAD PROPERTY.

Black Creek	.51	20,101.78	10,251.90
Wilson	.81	20,101.78	16,282.44
Elm City	.50	20,101.78	10,050.88
Rocky Mount	1.13	20,101.78	22,715.00
Battleboro	.50	20,101.78	10,050.88
Whitaker	1.00	20,101.78	20,101.78
Enfield	7.00	20,101.78	20,101.78
Weldon	1.20	20,101.78	24,122.13
Edgecombe	8.89	4,864.39	43,244.44
Pitt	6.71	4,864.39	32,640.06
Martin	33.86	4,864.39	164,708.27
Washington	3.87	4,864.39	18,825.18
Tarboro	1.20	4,864.39	5,837.27
Princeville	.45	4,864.39	2,188.96
Conetoe	.57	4,864.39	2,772.70
Bethel	.27	4,864.39	1,313.38
Robersonville	.86	4,864.39	4,183.37
Everett	.83	4,864.39	4,037.44
Williamston	.30	4,864.39	1,459.31
Jamesville	.57	4,864.39	2,772.70
Plymouth	.13	4,864.39	632.37
Albemarle and Raleigh Branch			
Road-bed, etc., at \$4.15 per mile, 53.33 miles		\$219,452.95	
Rolling-stock		\$27,470.00	
Depots, etc.		12,495.00	
Total valuation		239,417.95	
Valuation per mile		4,864.39	

STATEMENT B—Continued.

Name of Road.	County.	Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>ATLANTIC COAST LINE SYSTEM—Continued.</i>					
Albemarle and Raleigh Branch.....	Wilson	Parmele	1.00	\$4,864.39	\$4,864.39
Wilson and Fayetteville Branch.....	Johnston		11.46	20,287.68	232,496.76
Road bed, etc., at \$18,000 per mile, 116.20 miles \$2,091,600.00	Harnett		30.88	20,287.68	623,483.46
Rolling stock.....\$235,513.00	Cumberland		6.42	20,287.68	130,216.88
Depots, etc.....30,315.00	Robeson		32.74	20,287.68	664,218.53
			34.70	20,287.68	703,982.37
Total valuation.....2,357,428.00		Lucama	.53	20,787.68	10,752.47
Valuation per mile.....20,287.68		Kenly	.50	20,287.68	10,143.84
		Selma	.92	20,287.68	18,664.66
		Four Oaks	.53	20,287.68	10,752.47
		Benson	.50	20,287.68	10,143.84
		Dunn	1.00	20,287.68	20,287.68
		Fayetteville	1.36	20,287.68	27,591.25
		Hope Mills	1.50	20,287.68	30,431.52
		Rowland	1.00	20,287.68	20,287.68
		Rennert	2.00	20,287.68	40,575.36
		Pembroke	1.00	20,287.68	20,287.68

Clinton Branch	Duplin				
Road-bed, etc., at \$3,525 per mile, 13.43 miles	Sampson	\$7,340.75			12,828.45
Rolling stock		\$8,758.00			44,600.30
Depots, etc.	Warsaw	1,330.00		.46	1,967.00
	Clinton			.45	1,924.24
Total valuation		57,428.75			
Valuation per mile		4,276.15			
Midland Branch	Wayne				28,125.70
Road-bed, etc., at \$3,020 per mile, 21.50 miles	Johnston	\$64,930.00			40,904.30
Rolling stock		\$4,000.00			
Depots, etc.		100.00			
Total valuation		4,100.00			
Valuation per mile		69,030.00			
Nashville Branch	Nash				83,359.00
Road bed, etc., at \$3,560 per mile, 19.20 miles		\$68,352.00		19.20	
Rolling stock	Rocky Mount	\$12,207.00		.23	998.57
Depots, etc.	Spring Hope	2,800.00		.67	2,908.88
	Nashville			.67	2,903.88
Total valuation		83,359.00			
Valuation per mile		4,341.61			
Wilmington, Chadbourne and Conway Branch	Columbus				76,446.19
Road-bed, etc., at \$2,565 per mile, 24.88 miles		\$3,817.20		24.88	
Rolling stock	Chadbourne	\$12,129.00		1.00	3,072.59
Depots, etc.	Hub	500.00		1.05	3,226.22
Total valuation		12,629.00			
Valuation per mile		76,446.20			
		3,072.59			

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>ATLANTIC COAST LINE SYSTEM—Continued.</i>					
Tarboro Branch.....	Edgecombe.....	-----	14.38	\$18,539.30	\$266,595.00
Road-bed, etc., at \$17,000 per mile, 14.38 miles.....					
Rolling-stock.....			.25	18,539.30	4,634.82
Depots, etc.					
22,135.00					
Total valuation.....					
266,595.00					
Valuation per mile.....					
18,539.30					
Scotland Neck Branch.....					
Road-bed, etc., at \$6,240 per mile, 85.82 miles.....	Halifax.....	-----	25.92	7,043.04	182,555.95
Rolling-stock.....	Martin.....	-----	17.40	7,043.04	122,549.09
Depots, etc.	Pitt.....	-----	31.43	7,043.04	22,363.18
22,565.00	Lenoir.....	-----	11.07	7,043.04	77,966.58
Total valuation.....		Scotland Neck	1.00	7,043.04	7,043.04
604,434.80		Hobgood	.23	7,043.04	1,619.89
Valuation per mile.....		Conoho	1.14	7,043.04	8,029.06
7,043.04		Greenville	.74	7,043.04	5,211.85
		Ayden	.86	7,043.04	2,535.49
		Grafton	.59	7,043.04	4,155.39
		Kinston	.86	7,043.04	2,535.49
		Parnele	1.00	7,043.04	7,043.04

Washington Branch		Martin			
Road-bed, etc., at \$4, 100 per mile, 25.39 miles	\$104,099.00	Pitt			2,298.30
Rolling-stock	\$18,575.00	Beaufort			97,792.73
Depots, etc.	12,625.00				35,279.97
Total valuation	135,311.00	Washington			5,169.42
Valuation per mile	5,329.30	Parnele			1,811.96
Wilmington, Newbern and Norfolk Branch		New Hanover			
Road-bed, etc., at \$3, 750 per mile, 90.32 miles	\$338,700.00	Pender			70,848.26
Rolling stock	\$42,085.00	Onslow			69,566.57
Depots, etc.	18,405.00	Jones			100,450.48
Total valuation	60,490.00	Craven			56,395.75
Valuation per mile	4,419.73	Wilmington			41,898.94
Cheraw and Darlington		Jacksonville			8,176.50
Road-bed, etc., at \$3, 250 per mile, 13.90 miles	\$45,175.00	Pollocksville			2,838.62
Rolling stock	\$2,650.00	Newbern			2,165.66
Depots, etc.	3,450.00	Anson			5,303.67
Total valuation	6,100.00	Richmond			51,275.00
Valuation per mile	1,275.00	McFarland			2,431.64
	3,688.85	Morven			3,688.85
					3,688.85

STATEMENT B—Continued.

Name of Road.	County.	Name of Town.	Distance.	Valuation Per Mile.	Total Assessed Value.
<i>ATLANTIC COAST LINE SYSTEM—Continued.</i>					
Petersburg	Northampton	-----	7.18	\$20,682.60	\$148,501.00
Road-bed, etc., at \$18,500 per mile, 7.18 miles.					
Rolling stock					
Depots, etc.					
Total valuation					
Valuation per mile					
Norfolk and Carolina	Gates	-----	14.84	18,480.46	274,249.99
Road-bed, etc., at \$17,000 per mile, 18.11 miles.	Hertford	-----	14.53	18,480.46	268,521.05
Rolling-stock	Bertie	-----	13.09	18,480.46	241,909.17
Depots, etc.	Halifax	-----	13.24	18,480.46	244,681.24
	Edgecombe	-----	10.41	18,480.46	192,381.55
Total valuation					
Valuation per mile					
	Ahoskie	-----	.46	18,480.46	8,501.01
	Kelford	-----	.56	18,480.46	10,349.05
	Hobgood	-----	.71	18,480.46	13,121.12
	Tarboro	-----	.22	18,480.46	4,065.70
Wilmington, Columbia and Augusta	Brunswick	-----	12.88	12,251.72	157,802.18
Road-bed, etc., at \$10,520 per mile, 63.33 miles.	Columbus	-----	50.45	12,251.72	618,099.42
Rolling-stock					
Depots, etc.					
	Fair Bluff	-----	1.00	12,251.72	12,251.72
	Cerro Gordo	-----	.78	12,251.72	9,536.34
	Chadbourn	-----	1.00	12,251.72	12,251.72
	Whiteville	-----	1.06	12,251.72	12,986.82
Total valuation					
Valuation per mile					

South Eastern	Robeson	11.25	21,066.66	23,700.00
Road-bed, etc., at \$2,000 per mile, 11.25 miles...				
Rolling-stock				
Depots, etc. \$1,200.00				
Total valuation				
Valuation per mile				
Wilmington Dummy Line	New Hanover	1.25	4,550.00	5,687.50
Road-bed, etc., at \$3,750 per mile, 1.25 miles...				
Rolling-stock	Wilmington	1.25	4,550.00	5,687.50
Depots, etc. \$1,000.00				
Total valuation				
Valuation per mile				

STATEMENT C.—The following Table Shows List of Counties with Railroad Mileage and Assessed Value.

County.	Name of Road or other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Alamance -----	North Carolina -----	17.05	\$16,758.71	\$285,736.05
	Western Union Telegraph Company -----			4,967.06
	Pullman's Palace Car Company -----			2,590.14
	Swepsonville Telegraph Company -----			80.00
	Southern Railway Rolling-stock -----			21,032.90
Alexander -----	Statesville and Western -----	9.16		21,872.87
	Western Union Telegraph Company -----			524.66
Anson -----	Carolina Central -----	27.50	7,000.98	192,527.01
	Cheraw and Darlington -----	13.90	3,688.85	51,275.00
	Western Union Telegraph Company -----			9,508.62
	Pullman's Palace Car Company -----			2,073.00
Beaufort -----	Norfolk and Southern -----	11.80	4,815.98	56,828.57
	Washington Branch (Wilmington & Weldon) -----	6.62	5,329.30	35,279.97
	Western Union Telegraph Company -----			367.84
	Old Dominion Steamship Company -----			15,000.00
Bladen -----	Carolina Central -----	32.80		229,632.24
	Western Union Telegraph Company -----			5,671.62
	Atlantic Postal Telegraph Company -----			3,167.30
Bertie -----	Cashie and Chowan -----	19.00	2,131.05	40,490.00
	Norfolk and Carolina -----	13.09	18,480.46	241,909.17
	Roanoke and Tar River -----	7.60	5,142.96	39,086.54
	Pullman's Palace Car Company -----			280.00
	Wellington and Powellsville -----	20.60		34,575.00
	Western Union Telegraph Company -----			3,191.83
Brunswick -----	Southern Railway Rolling-stock -----			16,147.84
	Carolina Central -----	12.20	7,000.98	85,411.98
	Wilmington, Columbia and Augusta -----	12.88	12,251.72	157,802.18
	Wilmington Railway Bridge Company -----	.40		833.33
	Western Union Telegraph Company -----			6,149.58
	Atlantic Postal Telegraph Company -----			924.90
	Wilmington and Southport Telegraph Line -----			500.00
	Cape Fear Towing and Transportation Co. -----			23,500.00
	J. W. Harper, Steamer -----			8,000.00
	Pullman's Palace Car Company -----			550.32
Buncombe -----	Western North Carolina -----	34.64	12,523.64	434,194.65
	Western North Carolina -----	12.82	3,822.65	49,006.49
	Asheville and Spartanburg -----	10.36	8,172.64	84,668.53

STATEMENT C—Continued.

County.	Name of Road or other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Buncombe -----	Pullman's Palace Car Company -----	-----	-----	\$2,874.96
	Western Union Telegraph Company -----	-----	-----	10,594.26
Burke -----	Carolina and Northwestern -----	2.18	3,137.14	6,838.96
	Western North Carolina -----	29.70	12,523.64	371,952.15
	Pullman's Palace Car Company -----	-----	-----	2,173.72
	Western Union Telegraph Company -----	-----	-----	4,900.76
Cabarrus -----	North Carolina -----	17.16	16,758.71	287,579.50
	Yadkin -----	1.15	2,905.12	3,340.88
	Pullman's Palace Car Company -----	-----	-----	2,513.46
	Western Union Telegraph Company -----	-----	-----	26,432.96
	Southern Railway Rolling-stock -----	-----	-----	21,168.60
Caldwell -----	Carolina and Northwestern -----	11.81	3,137.14	46,555.17
	Caldwell and Northern -----	10.60	2,338.77	24,685.00
	Western Union Telegraph Company -----	-----	-----	818.71
	Lenoir and Blowing Rock Telegraph Co. -----	-----	-----	436.37
Camden -----	Norfolk and Southern -----	5.00	17,181.45	85,907.25
	Western Union Telegraph Company -----	-----	-----	288.28
	Elizabeth City and Norfolk Telegraph Co. -----	-----	-----	259.60
	Lake Drummond Canal Company -----	-----	-----	8,000.00
	Wilmington Steamship Company -----	-----	-----	7,142.85
	Old Dominion Steamship Company -----	-----	-----	1,428.57
Carteret -----	Atlantic and North Carolina -----	16.00	5,801.63	92,874.10
	Western Union Telegraph Company -----	-----	-----	1,045.30
	Old Dominion Steamship Company -----	-----	-----	1,428.57
	Wilmington Steamship Company -----	-----	-----	7,142.85
Caswell -----	Piedmont -----	7.10	19,949.21	141,639.43
	Atlantic and Danville -----	14.60	5,398.63	78,820.11
	Danville and Western -----	.75	-----	2,250.00
	Pullman's Palace Car Company -----	-----	-----	863.38
	Western Union Telegraph Company -----	-----	-----	12,176.94
Catawba -----	Carolina and Northwestern -----	11.86	3,137.14	37,206.49
	Western North Carolina -----	22.94	12,523.64	287,292.33
	Pullman's Palace Car Company -----	-----	-----	1,862.88
	Western Union Telegraph Company -----	-----	-----	6,182.45
Chatham -----	Raleigh and Augusta Air Line -----	16.00	11,878.76	190,060.19
	Cape Fear and Yadkin Valley -----	29.63	6,234.54	184,729.44
	Pittsboro -----	11.20	2,128.56	23,840.00

STATEMENT C—Continued.

County.	Name of Road and other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Chatham -----	Durham and Northern -----	5.27	\$2,234.06	\$11,773.00
	Egypt -----	8.00	3,135.00	25,080.00
	Pullman's Palace Car Company -----			1,228.80
	Western Union Telegraph Company -----			5,189.04
	Pittsboro Telegraph Line -----			250.00
	Mercantile Trust and Deposit Company -----			15,861.16
Cherokee -----	Atlanta, Knoxville and Northwestern -----	13.10	3,233.59	42,360.00
	Western North Carolina -----	23.95	3,822.65	91,552.68
	Western Union Telegraph Company -----			1,354.91
Chowan -----	Norfolk and Southern -----	4.20	17,181.45	72,160.90
	Suffolk and Carolina -----	3.00	2,779.02	22,232.15
	Western Union Telegraph Company -----			242.15
	Elizabeth City and Norfolk Telegraph Co -----			129.80
	J. G. & F. Wood, Steamers -----			3,000.00
	H. G. Wood, Steamer -----			650.00
	Branning Manufacturing Co., Steamers -----			7,500.00
	D. W. Roper & Co., Steamers -----			800.00
Cleveland -----	Carolina Central -----	21.30	7,000.98	149,120.92
	Ohio River and Charleston -----	22.00	4,507.29	99,160.45
	Atlanta and Charlotte Air Line -----	8.77	16,145.17	141,593.16
	Pullman's Palace Car Company -----			1,110.06
	Western Union Telegraph Company -----			8,592.47
	Cleveland Springs Telegraph Line -----			50.00
Columbus -----	Carolina Central -----	8.90	7,000.98	62,308.74
	Wilmington, Chadbourn and Conway (branch W., C. and A.) -----	24.88	3,072.59	76,446.19
	Wilmington, Columbia and Augusta -----	50.45	12,251.72	618,069.42
	Pullman's Palace Car Company -----			2,293.38
	Western Union Telegraph Company -----			21,487.23
	Atlantic Postal Telegraph Company -----			565.59
Craven -----	Atlantic and North Carolina -----	48.50	5,804.63	281,524.00
	Wilmington, Northern and Norfolk, (branch W. & W.) -----	9.43	4,419.73	41,898.94
	Western Union Telegraph Company -----			5,315.88
	Wilmington Steamship Company -----			7,142.85
	Old Dominion Steamship Company -----			6,428.57
	David Styron, Steamers -----			600.00
	J. C. Whitty, Steamers -----			1,000.00

STATEMENT C—Continued.

County.	Name of Road or Other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Craven	J. L. Basnight, Steamers			\$250.00
	Newbern & Snow Hill Steamboat Company			2,550.00
	Broadus & Ives, Steamers			800.00
	J. J. Lassiter			1,550.00
Cumberland	Wilmington and Weldon (Wilson and Fayetteville).	32.74	20,287.68	664,218.53
	Cape Fear and Yadkin Valley	38.28	6,234.54	238,658.20
	Aberdeen and Rock Fish	20.00	1,854.34	37,686.95
	Cape Fear River Transportation Company			5,107.00
	Pullman Palace Car Company			2,737.60
	Western Union Telegraph Company			15,632.84
	Atlantic Postal Telegraph Company			7,055.90
	Carolina Postal Telegraph Company			165.00
Currituck	Norfolk and Southern	14.30	17,181.45	245,694.73
	Western Union Telegraph Company			821.48
	Albemarle and Chesapeake Canal Company			100,000.00
Davidson	North Carolina	24.80	16,758.71	415,616.07
	Pullman Palace Car Company			3,876.76
	Western Union Telegraph Company			36,553.90
	Southern Railway Rolling-stock			30,593.30
Davie	North Carolina Midland	12.38	2,858.13	35,383.76
	Western Union Telegraph Company			703.40
Dare	Wilmington Steamship Company			7,142.85
	Old Dominion Steamship Company			5,428.57
Duplin	Wilmington and Weldon (Clinton Branch)	3.00	4,276.15	12,828.45
	Wilmington and Weldon	33.96	20,101.78	682,656.40
	Pullman's Palace Car Company			1,521.95
	Western Union Telegraph Company			20,179.60
Durham	Durham and Northern	11.05	5,186.96	57,315.95
	North Carolina	16.22	16,758.71	271,826.20
	Oxford and Clarksville	11.18	5,202.70	58,166.14
	Norfolk and Western	19.50	5,885.37	114,764.99
	Pullman's Palace Car Company			2,346.56
	Western Union Telegraph Company			9,250.90
	Atlantic Postal Telegraph Company			449.14
	Southern Railway Rolling-stock			20,009.02
Edgecombe	Norfolk and Carolina	10.41	18,480.46	192,381.55
	Wilmington and Weldon (Tarboro Branch)	14.38	18,539.30	266,595.00

STATEMENT C—Continued.

County.	Name of Road or other Company.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
Edgecombe -----	Albemarle and Raleigh (Branch) -----	8.89	\$4,864.39	\$43,244.44
	Wilmington and Weldon -----	10.15	20,101.78	204,033.04
	Pullman's Palace Car Company -----			1,455.50
	Western Union Telegraph Company -----			28,567.39
	Tar River Oil Company -----			2,500.00
	Old Dominion Steamship Company -----			500.00
Forsyth -----	Southern Railway Rolling-stock -----			33,245.51
	Northwestern North Carolina -----	36.71	4,639.18	170,304.33
	Cape Fear and Yadkin Valley -----	10.77	6,234.54	67,145.98
	North Carolina Midland -----	13.73	2,858.13	39,242.24
	Norfolk and Western -----	14.96	8,851.24	132,414.60
Franklin -----	Western Union Telegraph Company -----			7,320.58
	Louisburg -----	10.00	3,200.00	32,000.00
	Raleigh and Gaston -----	12.91	19,631.10	253,437.54
	Pullman's Palace Car Company -----			998.40
	Western Union Telegraph Company -----			2,075.61
	Atlantic Postal Telegraph Company -----			2,829.61
	Louisburg Telegraph Company -----			200.00
Gaston -----	Mercantile Trust and Deposit Company -----			22,862.72
	Carolina and Northwestern -----	19.26	3,137.14	60,421.34
	Carolina Central -----	17.50	7,000.98	122,517.19
	Atlanta and Charlotte Air Line -----	23.00	16,145.17	371,338.97
	Pullman's Palace Car Company -----			3,206.84
Gates -----	Western Union Telegraph Company -----			19,488.30
	Norfolk and Carolina -----	14.84	18,480.46	274,249.99
	Suffolk and Carolina -----	17.50	2,779.02	48,632.85
	Pullman's Palace Car Company -----			320.00
	Western Union Telegraph Company -----			3,419.00
Granville -----	Southern Railway Rolling-stock -----			18,306.64
	Durham and Northern -----	22.36		115,980.52
	Oxford and Clarksville -----	38.15	5,202.70	198,482.86
	Oxford and Henderson -----	5.66	4,252.83	24,071.02
	Atlantic and Danville -----	2.20	5,398.63	11,876.99
Guilford -----	Western Union Telegraph Company -----			5,523.44
	High Point, Randleman, Asheboro and Southern -----	3.04	4,210.00	12,798.45
	Northwestern North Carolina -----	12.20	4,639.18	56,598.00
	North Carolina -----	33.37	16,758.71	559,238.24

STATEMENT C—Continued.

County.	Name of Road and Other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Guilford	Piedmont	14.43	\$19,949.21	\$287,867.19
	Cape Fear and Yadkin Valley	41.28	6,231.54	257,361.81
	Pullman's Palace Car Company	—	—	5,136.82
	Western Union Telegraph Company	—	—	65,843.15
	Oak Ridge and Stokesdale Telegraph Co.	—	—	110.00
	Southern Railway Rolling stock	—	—	41,165.28
Halifax	Norfolk and Carolina	13.24	18,480.46	244,681.24
	Raleigh and Gaston	19.99	19,631.10	392,425.75
	Wilmington and Weldon (Scotland Neck Branch).	25.92	7,043.04	182,555.95
	Mercantile Trust and Deposit Company	—	—	36,191.15
	Wilmington and Weldon	21.93	20,101.78	440,831.99
	Seaboard and Roanoke	.30	20,677.57	6,203.27
	Pullman's Palace Car Company	—	—	3,774.90
	Western Union Telegraph Company	—	—	24,278.36
	Atlantic Postal Telegraph Company	—	—	2,212.45
Harnett	Southern Railway Rolling-stock	—	—	16,332.88
	Wilmington and Weldon (Wilson and Fayetteville Branch).	6.42	20,287.68	130,246.88
	Cape Fear and Yadkin Valley	13.60	6,234.54	81,789.73
	Pullman's Palace Car Company	—	—	513.80
	Western Union Telegraph Company	—	—	3,022.32
	Atlantic Postal Telegraph Company	—	—	4,890.69
Haywood	Western North Carolina	21.57	3,822.65	82,451.75
	Western Union Telegraph Company	—	—	1,245.36
Henderson	Asheville and Spartanburg	21.56	8,172.64	176,202.09
	Hendersonville and Brevard	11.90	2,329.26	27,718.23
	Western Union Telegraph Company	—	—	3,805.29
Hertford	Norfolk and Carolina	14.53	18,480.46	268,521.05
	Winton	15.00	2,736.67	41,050.00
	Pullman's Palace Car Company	—	—	320.00
	Western Union Telegraph Company	—	—	3,350.96
	United Telegraph Company	—	—	26.65
Hyde	Southern Railway Rolling-stock	—	—	17,924.22
	Fairfield Canal and Transportation Co.	—	—	7,376.00
	Wilmington Steamship Company	—	—	8,142.85
	Old Dominion Steamship Company	—	—	10,928.57
	Fairfield and Elizabeth City Steamship Co.	—	—	1,000.00
Iredell	Statesville and Western	11.20	2,387.86	26,744.13

STATEMENT C—Continued.

County.	Name of Road or other Company.	Distance	Valuation Per Mile.	Total Assessed Value.
Iredell -----	Western North Carolina -----	20.11	\$12,523.64	\$251,850.42
	Atlantic, Tennessee and Ohio -----	21.60	7,450.89	160,959.20
	Pullman's Palace Car Company -----			1,472.52
	Western Union Telegraph Company -----			5,687.18
Jackson -----	Western North Carolina -----	22.89	3,822.65	87,500.65
	Western Union Telegraph Company -----			1,314.55
Johnston -----	Midland North Carolina -----	12.74	3,210.70	40,904.30
	North Carolina -----	26.24	16,758.71	439,748.61
	Wilmington and Weldon (Wilson and Fayetteville Branch.) -----	30.88	30,287.68	626,483.46
	Pullman's Palace Car Company -----			2,766.50
	Western Union Telegraph Company -----			20,607.40
	Atlantic Postal Telegraph Company -----			232.89
	Southern Railway Rolling-stock -----			32,986.49
Jones -----	Atlantic and North Carolina -----	3.50	5,804.63	20,315.21
	Wilmington, Newbern and Norfolk (Branch W. and W.) -----	12.76	4,419.73	56,395.75
	Western Union Telegraph Company -----			1,140.43
Lenoir -----	Wilmington and Weldon (Scotland Neck Branch.) -----	11.07	7,043.04	77,966.58
	Atlantic and North Carolina -----	17.00	5,804.63	98,678.74
	Western Union Telegraph Company -----			2,598.55
Lincoln -----	Carolina and Northwestern -----	14.26	3,137.14	44,735.64
	Carolina Central -----	15.60		109,215.32
Macon -----	Western Union Telegraph Company -----			1,832.88
	Western North Carolina -----	2.57	3,822.65	9,824.23
	Western Union Telegraph Company -----			149.90
Madison -----	Western North Carolina -----	28.30	12,523.64	351,419.06
	Pullman's Palace Car Company -----			2,243.84
	Western Union Telegraph Company -----			5,285.90
Martin -----	Wilmington and Weldon (Scotland Neck Branch.) -----	17.40	7,043.04	122,549.09
	Albemarle and Raleigh (Branch) -----	31.86	4,864.39	164,708.27
	Wilmington & Weldon (Washington Branch) -----	.42	5,329.30	2,238.30
	Western Union Telegraph Company -----			2,979.66
	Roanoke and Tar River Steamboat Co -----			6,461.00
McDowell -----	Ohio River and Charleston Railway -----	13.30	4,507.29	59,946.99
	Western North Carolina -----	32.24	12,523.64	403,762.20
	Pullman's Palace Car Company -----			2,384.08
	Western Union Telegraph Company -----			5,827.29

STATEMENT C—Continued.

County.	Name of Road or Other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Mecklenburg-----	Charlotte, Columbia and Augusta -----	11.48	\$17,025.26	\$195,450.00
	Carolina Central-----	23.90		167,323.47
	North Carolina -----	11.90	16,758.71	199,428.67
	Atlantic, Tennessee and Ohio -----	23.40		171,350.80
	Atlanta and Charlotte Air Line-----	11.42	16,145.17	184,377.87
	Southern Railway Rolling-stock-----			14,679.85
	Pullman's Palace Car Company-----			4,250.20
Mitchell -----	Western Union Telegraph Company -----			46,641.97
	East Tennessee and Western North Carolina-----	3.00	4,880.05	14,640.15
Montgomery ---	Western Union Telegraph Company -----			288.28
	Aberdeen and Asheboro -----	24.25	2,670.31	64,755.20
Moore -----	Moore County -----	.56	1,824.00	912.00
	Carthage -----	29.50	1,965.25	57,975.00
Moore -----	Moore County Railroad -----	12.00	1,824.40	21,892.00
	Raleigh and Augusta -----	38.50	11,878.76	457,332.38
	Aberdeen and Ashboro -----	23.25	2,670.31	62,084.89
	Cape Fear and Yadkin Valley-----	12.62	6,234.54	78,679.88
	Aberdeen and Rock Fish -----	3.00	1,854.34	5,565.04
	Pullman's Palace Car Company -----			2,918.40
	Western Union Telegraph Company-----			5,823.25
	Mercantile Trust and Deposit Company-----			38,170.75
	Carthage Telegraph Line -----			210.00
	Durham and Charlotte-----	10.73	2,234.06	23,971.50
	Wilmington and Weldon (Nashville Branch)-----	19.20	3,560.00	83,359.00
	Wilmington and Weldon -----	11.18	20,101.78	224,737.88
Nash -----	Pullman's Palace Car Company-----			911.05
	Western Union Telegraph Company-----			1,106.96
	Southern Railway Rolling stock-----			3,917.53
	New Hanover Transit Company -----	4.00		11,075.00
	Carolina Central-----	1.01	7,000.98	7,070.99
New Hanover ----	Wilmington, Newbern and Norfolk (Branch W. and W.)-----	16.03	4,419.73	70,848.26
	Wilmington and Weldon -----	9.42	20,101.78	189,358.75
	Wilmington Sea Coast -----	11.81		40,710.00
	Cape Fear and Yadkin Valley-----	7.23	6,234.54	45,075.71
	Wilmington Railway Bridge Company -----	2.36	20,833.33	49,166.67
	Pullman's Palace Car Company-----			750.94
	Western Union Telegraph Company-----			11,847.73

STATEMENT C—Continued.

County.	Name of Road or Other Company.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
New Hanover	Atlantic Postal Telegraph Company			133.08
	Wilmington Dummy Line	1.25	4,550.00	5,687.50
	Chas. Wessell, Steamboats			1,100.00
	Walter Taft, Steamboats			70.00
	G. C. Hewbett, Steamboats			500.00
Northampton	Petersburg	7.18	20,682.60	148,501.00
	Northampton and Hertford	7.84	2,619.39	20,536.00
	Roanoke and Tar River	24.82	5,142.96	127,648.46
	Seaboard and Roanoke	18.72	20,677.57	387,084.21
	Pullman's Palace Car Company			2,058.05
	Western Union Telegraph Company			17,302.56
	Atlantic Postal Telegraph Company			1,211.02
	United Telegraph Company			53.34
	Mercantile Trust and Deposit Company			49,311.18
Onslow	Wilmington, Newbern and Norfolk (Branch W. and W.)	36.31	4,419.73	160,480.48
	Western Union Telegraph Company			2,096.37
Orange	North Carolina	17.27	16,758.71	289,422.95
	State University	10.40	2,465.38	24,999.00
	Pullman's Palace Car Company			2,220.12
	Western Union Telegraph Company			6,218.19
	Southern Railway Rolling stock			21,304.29
Pamlico	Wilmington Steamship Company			9,642.85
	Old Dominion Steamship Company			1,428.58
Pasquotank	Norfolk and Southern	12.57	17,181.45	215,970.82
	Western Union Telegraph Company			724.73
	Elizabeth City and Norfolk Telegraph Co.			493.30
	Guard and Thornton Steamers			500.00
	Lake Drummond Canal Company			8,000.00
	Wilmington Steamship Company			7,142.85
	Old Dominion Steamship Company			1,428.57
Pender	Wilmington, Newbern and Norfolk (Branch Wilmington and Weldon.)	15.74	4,419.73	69,566.57
	Wilmington and Weldon	25.19	20,101.78	506,363.79
	Cape Fear and Yadkin Valley	21.90	6,234.54	136,536.43
	Pullman's Palace Car Company			1,130.22
	Western Union Telegraph Company			17,089.23
	Black River Packet Company			2,500.00
	W. H. Ward, Steamers			500.00

STATEMENT C—Continued.

County.	Name of Road or Other Company.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
Perquimans.....	Norfolk and Southern.....	16.30	\$17,181.45	\$280,057.63
	Western Union Telegraph Company			939.79
	Elizabeth City and Norfolk Telegraph Co.....			467.30
Person	Atlantic and Danville.....	5.20	5,398.63	28,072.90
	Norfolk and Western	22.19	5,885.37	130,596.76
	Western Union Telegraph Company.....			2,260.69
Pitt	Wilmington and Weldon (Scotland Neck Branch),	31.43	7,043.04	221,363.18
	Albemarle and Raleigh (Branch).....	6.71	4,864.39	32,640.06
	Wilmington and Weldon (Washington Br'ch)	18.35	5,329.30	97,792.73
	Western Union Telegraph Company			3,256.98
	Moccasin River Steamboat Company			1,000.00
	Old Dominion Steamship Company			1,250.00
Polk	Asheville and Spartanburg	10.00	8,172.64	81,726.38
	Western Union Telegraph Company			1,643.19
Randolph	High Point, Randleman, Ashboro and Southern.	23.74	4,210.00	99,945.55
	North Carolina .....	.60	16,758.71	10,055.22
	Cape Fear and Yadkin Valley.....	30.49	6,234.54	190,091.14
	Aberdeen and Asheboro	15.50	2,670.31	41,389.91
	Pullman's Palace Car Company.....			123.34
	Western Union Telegraph Company			4,283.84
	Southern Railway Rolling stock			240.17
Richmond	Carolina Central.....	32.70	7,000.98	228,932.14
	Palmetto	7.00	2,294.50	16,061.50
	Raleigh and Augusta.....	28.50	11,878.76	388,544.72
	Cape Fear and Yadkin Valley.....	9.66	6,234.54	60,225.64
	Cheraw and Darlington.....	.66	3,688.85	2,434.64
	Pullman's Palace Car Company.....			3,071.25
	Western Union Telegraph Company			12,613.40
	Atlantic Postal Telegraph Company			4,038.97
	Red Springs and Bowmore			5,742.85
	Mercantile Trust and Deposit Company.....			28,256.27
Robeson	Carolina Central.....	30.60	7,000.98	214,230.08
	Cape Fear and Yadkin Valley	26.20	6,234.54	163,344.95
	Wilmington and Weldon (Wilson and Fayetteville Branch),	34.70	20,287.68	703,982.37
	Red Springs and Bowmore	15.00	957.14	14,357.15
	Southeastern.....	11.25		23,700.00

STATEMENT C—Continued.

County.	Name of Road or other Company.	Distance.	Valuation Per Mile.	Total Assessed Value.
Robeson -----	Pullman's Palace Car Company -----	-----	-----	\$2,908.32
	Western Union Telegraph Company -----	-----	-----	18,309.23
	Atlantic Postal Telegraph Company -----	-----	-----	3,601.14
Rockingham ---	Danville, Mocksville and Southwestern -----	7.80	\$2,653.85	20,700.00
	Piedmont -----	21.20	19,942.21	422,923.38
	Norfolk and Western -----	20.02	8,851.24	177,201.89
	Cape Fear and Yadkin Valley -----	10.44	6,234.54	65,088.58
	Pullman's Palace Car Company -----	-----	-----	2,713.45
	Western Union Telegraph Company -----	-----	-----	37,446.99
	Carolina -----	20.60	16,758.71	345,229.48
Rowan -----	Western North Carolina -----	17.52	12,523.64	219,414.19
	Yadkin -----	16.66	2,905.12	48,399.34
	Pullman's Palace Car Company -----	-----	-----	3,260.16
	Western Union Telegraph Company -----	-----	-----	35,630.83
	Southern Railway Rolling-stock -----	-----	-----	25,412.18
Rutherford -----	Carolina Central -----	15.00	-----	105,014.73
	Ohio River and Charleston -----	27.50	-----	123,950.56
	Western Union Telegraph Company -----	-----	-----	1,441.40
Sampson -----	Wilmington and Weldon (Clinton Branch) ..	10.43	4,276.15	44,600.30
	Cape Fear and Yadkin Valley -----	38.92	6,234.54	242,648.30
Stanly -----	Yadkin -----	23.19	2,905.12	67,369.78
	Western Union Telegraph Company -----	-----	-----	1,326.08
Stokes -----	Cape Fear and Yadkin Valley -----	20.89	6,234.54	129,678.44
	Norfolk and Western -----	10.67	4,639.18	94,442.76
	Western Union Telegraph Company -----	-----	-----	2,375.42
Surry -----	Cape Fear and Yadkin Valley -----	19.42	6,234.54	121,074.77
	Northwestern North Carolina -----	33.13	4,639.18	153,696.06
	Western Union Telegraph Company -----	-----	-----	3,003.87
Swain -----	Western North Carolina -----	38.36	3,822.65	146,637.20
	Western Union Telegraph Company -----	-----	-----	2,215.75
Union -----	Georgia, Carolina and Northern -----	14.30	10,346.36	147,952.98
	Carolina Central -----	25.50	7,000.98	178,525.05
	Pullman's Palace Car Company -----	-----	-----	1,689.60
	Western Union Telegraph Company -----	-----	-----	7,295.79
Vance -----	Durham and Northern -----	7.50	5,186.96	38,902.22
	Oxford and Henderson -----	7.06	4,252.83	30,024.98
	Raleigh and Gaston -----	20.85	19,631.10	409,308.50

STATEMENT C—Continued.

County.	Name of Road or Other Company.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
Vance -----	Pullman's Palace Car Company-----	-----	-----	\$1,612.80
	Western Union Telegraph Company-----	-----	-----	4,731.25
	Atlantic Postal Telegraph Company-----	-----	-----	4,727.66
	Mercantile Trust and Deposit Company-----	-----	-----	36,923.91
Transylvania ---	Hendersonville and Brevard-----	9.80	\$2,329.26	22,826.77
	Mercantile Trust and Deposit Company-----	-----	-----	56,503.99
Wake -----	Durham and Northern-----	1.15	5,186.96	5,965.00
	North Carolina-----	30.22	16,758.71	506,448.30
	Raleigh and Augusta-----	23.50	11,878.76	279,150.91
	Raleigh and Gaston-----	18.75	19,631.10	368,083.18
	Southern Railway Depot-----	-----	-----	10,000.00
	Pullman's Palace Car Company-----	-----	-----	5,249.04
	Western Union Telegraph Company-----	-----	-----	19,058.19
	Atlantic Postal Telegraph Company-----	-----	-----	8,447.25
Warren -----	Southern Railway Rolling-stock-----	-----	-----	33,948.69
	Raleigh and Gaston-----	23.71	19,631.10	465,453.47
	Warrenton-----	3.00	-----	8,960.00
	Pullman's Palace Car Company-----	-----	-----	1,766.40
	Western Union Telegraph Company-----	-----	-----	4,655.14
	Atlantic Postal Telegraph Company-----	-----	-----	5,507.84
Watauga -----	Mercantile Trust and Deposit Company-----	-----	-----	41,988.81
	Lenoir and Blowing Rock Telegraph Co-----	-----	-----	43.63
Washington-----	Norfolk and Southern-----	18.00	4,815.98	86,687.65
	Albemarle and Raleigh (Branch W. and W.)-----	3.87	4,864.39	18,825.18
	Western Union Telegraph Company-----	-----	-----	223.12
Wayne -----	Midland North Carolina-----	8.76	3,210.70	28,125.70
	Atlantic and North Carolina-----	10.00	5,804.63	58,046.31
	North Carolina-----	10.47	16,758.71	175,463.71
	Wilmington and Weldon-----	29.76	20,101.78	598,228.91
	Pullman's Palace Car Company-----	-----	-----	1,391.49
	Western Union Telegraph Company-----	-----	-----	21,517.79
Wilkes -----	Northwestern North Carolina-----	18.11	4,639.18	84,015.56
	Western Union Telegraph Company-----	-----	-----	1,043.57
Wilson -----	Wilmington and Weldon (Wilson and Fayetteville Branch).-----	11.46	20,287.68	232,496.76
	Wilmington and Weldon-----	19.81	20,101.78	398,216.24
	Pullman's Palace Car Company-----	-----	-----	3,526.75
	Western Union Telegraph Company-----	-----	-----	17,242.02
	Southern Railway Rolling-stock-----	-----	-----	30,346.58

STATEMENT D—Showing Incorporated Towns and Valuation.

Town.	Name of Road.	Distance.	Valuation Per Mile.	Total Assessed Value
Albemarle.....	Yadkin	1.00	.....	\$2,905.12
Ahoskie	Norfolk and Carolina .....	.46	\$18,480.46	8,501.00
Ashboro.....	High Point, Randleman, Ashboro and Southern.	.41	4,210.00	1,726.13
Aberdeen.....	Aberdeen and Ashboro .....	.50	2,670.31	1,335.15
	Ashboro.....	.50	2,670.31	1,335.15
	Raleigh and Augusta	1.00	11,878.76	11,878.76
	Moore County.....	.50	1,824.40	912.20
	Ashboro and Rock Fish .....	.50	1,854.34	927.17
Asheville	Western North Carolina	1.54	12,523.64	19,286.40
Apex	Raleigh and Augusta Air Line.....	.01	11,878.76	118.78
Ayden	Wilmington and Weldon (Scotland Neck Branch)	.36	7,043.04	2,535.49
Battleboro.....	Wilmington and Weldon.....	.50	20,101.78	10,050.88
Benson	Wilmington and Weldon (Wilson and Fayetteville Branch.)	.50	20,287.68	10,143.84
Black Mountain.	Western North Carolina	1.00	.....	12,523.64
Black Creek.....	Wilmington and Weldon.....	.51	20,101.78	10,251.90
Burlington.....	North Carolina	2.00	16,758.71	33,517.42
	North Carolina .....	.....	.....	2,467.20
Biltmore	Western North Carolina .....	.30	12,523.64	3,757.09
Bryson City.....	Western North Carolina	1.00	.....	3,822.65
Bessemer City....	Atlanta and Charlotte Air Line.....	2.96	16,145.17	47,789.70
Bethel	Albemarle and Raleigh .....	.27	4,864.39	1,313.38
Brevard	Hendersonville and Brevard .....	.40	2,329.26	931.70
Burgaw	Wilmington and Weldon.....	1.00	.....	20,101.78
Charlotte	Atlanta and Charlotte Air Line.....	1.85	16,145.17	29,868.56
	Atlantic, Tennessee and Ohio	1.45	7,450.89	10,803.79
	Carolina Central.....	1.10	7,000.98	7,701.08
	Charlotte, Columbia and Augusta .....	.40	17,015.26	6,810.10
	North Carolina .....	.....	.....	1,591.34
	North Carolina	1.29	16,758.71	21,618.73
Carthage	Carthage	1.00	1,965.25	1,965.25
Cameron	Carthage .....	.50	1,965.25	982.62
	Raleigh and Augusta Air Line.....	.08	11,878.76	950.30
Catawba	Western North Carolina.....	1.00	.....	12,523.64
Cherryville	Carolina Central.....	1.00	.....	7,000.98
Cerro Gordo.....	Wilmington, Columbia and Augusta.....	.78	12,251.72	9,556.34
Candor	Ashboro .....	.50	2,670.21	1,335.15

STATEMENT D—Continued.

Town.	Name of Road.	Dis. tance.	Valuation Per Mile.	Total Assessed Value.
Clayton -----	North Carolina -----			\$1,307.61
	North Carolina -----	1.06	\$16,758.71	17,764.23
Clinton -----	Wilmington and Weldon (Clinton Branch) ..	.45	4,276.15	1,924.24
Cary -----	North Carolina -----			1,233.60
	Raleigh and Augusta Air Line -----	1.10	11,878.76	13,066.63
	North Carolina -----	1.00		16,758.71
China Grove ----	North Carolina -----			1,233.60
	North Carolina -----	1.00		16,758.71
Concord -----	North Carolina -----			1,801.05
	North Carolina -----	1.46	16,758.71	24,467.71
Chadbourn ----	Wilmington, Columbia and Augusta -----	1.00		12,251.72
	Wilmington, Chadbourn and Conway -----	1.00		3,072.59
Canton -----	Western North Carolina -----	.50	3,822.65	1,911.32
Cleveland -----	Western North Carolina -----	.70	12,523.64	8,766.55
Coneto -----	Albemarle and Raleigh -----	.57	4,864.39	2,772.70
Claremont -----	Western North Carolina -----	1.00		12,523.64
Conover -----	Western North Carolina -----	1.04	12,523.64	13,024.59
Clyde -----	Western North Carolina -----	.40	3,822.65	1,529.06
Davidson, College	Atlantic, Tennessee and Ohio -----	1.08	7,450.89	8,046.96
Durham -----	Oxford and Clarksville -----	.30	5,202.70	1,560.80
	Durham and Northern -----	1.03	5,186.96	5,342.57
	North Carolina -----			1,480.32
	Norfolk and Western -----	.13	5,885.37	765.09
	North Carolina -----	1.20	16,758.71	20,110.45
Dallas -----	Carolina and Northwestern -----	1.10	3,137.14	3,450.85
Dillsboro -----	Western North Carolina -----	1.10	3,822.65	4,204.92
Dunn -----	Wilmington and Weldon (Wilson and Fayetteville Branch).	1.00		20,287.68
Ellenboro -----	Carolina Central -----	1.30	7,000.98	9,101.27
Earle's -----	Ohio River and Charleston Railway Co -----	1.00	4,507.29	4,507.29
Elk Park -----	East Tennessee and Western North Carolina ..	1.00	4,880.05	4,880.05
Elizabeth City --	Norfolk and Southern -----	.80	17,181.45	13,745.16
Edenton -----	Norfolk and Southern -----	1.10	17,181.45	18,899.59
Elon College ----	North Carolina -----			12,414.69
Elkin -----	Northwestern North Carolina -----	1.62	4,639.18	7,515.47
Everitt -----	Albemarle and Raleigh -----	.83	4,864.39	4,037.44
Enfield -----	Wilmington and Weldon -----	1.00	20,101.78	20,101.77
Elm City -----	Wilmington and Weldon -----	.50	20,101.78	10,050.88

STATEMENT D—Continued.

Town.	Name of Road.	Distance	Valuation Per Mile.	Total Assessed Value
Forest City-----	Ohio River and Charleston-----	1.25	\$1.25	\$5,634.12
Franklinton-----	Louisburg-----	.16	3,200.00	412.00
	Raleigh and Gaston-----	.80	19,631.10	15,704.88
Four Oaks-----	Wilmington and Weldon (Fayetteville Branch).	.53	20,287.68	10,752.47
Fair Bluff-----	Wilmington, Columbia and Augusta-----	1.00	-----	12,251.72
Fayetteville-----	Cape Fear and Yadkin Valley-----	2.85	6,234.54	17,768.44
	Wilmington and Weldon (Fayetteville Branch).	1.36	20,287.68	27,591.25
Fremont-----	Wilmington and Weldon-----	.85	20,101.78	17,086.51
Faison-----	Wilmington and Weldon-----	.68	20,101.78	13,669.20
Garysburg-----	Seaboard and Roanoke-----	1.50	20,677.57	31,016.37
Grover-----	Atlanta and Charlotte Air Line-----	.0	16,145.17	8,072.58
Graham-----	North Carolina-----	.47	16,758.78	7,876.59
Gastonia-----	Atlanta and Charlotte Air Line-----	1.43	16,145.17	23,087.59
	Carolina and Northwestern-----	1.65	3,137.14	5,176.28
Graham-----	-----	-----	-----	579.79
Germanton-----	Cape Fear and Yadkin Valley-----	.50	6,234.54	3,117.26
Gibsonville-----	North Carolina-----	-----	-----	777.16
	-----	.63	16,758.71	10,557.98
Glen Alpine-----	Western North Carolina-----	1.00	-----	12,523.64
Goldsboro-----	Wilmington and Weldon-----	1.90	20,101.78	38,193.37
	Atlantic and North Carolina-----	1.00	5,804.63	5,804.63
	North Carolina-----	.70	16,758.71	11,731.10
Greensboro-----	Cape Fear and Yadkin Valley-----	2.85	6,234.54	17,768.43
	North Carolina-----	-----	-----	2,602.89
	Piedmont-----	1.80	19,949.21	35,908.59
	North Carolina-----	2.11	16,758.71	35,360.88
Greenville-----	Wilmington and Weldon (Scotland Neck Branch).	.74	7,043.04	5,211.85
Grifton-----	Wilmington and Weldon (Scotland Neck Branch).	.59	7,043.04	4,155.39
Goose Nest-----	Wilmington and Weldon (Scotland Neck Branch).	1.14	7,043.04	8,029.06
Hendersonville-----	Hendersonville and Brevard-----	.50	2,329.26	1,164.63
	Asheville and Spartanburg-----	1.41	8,172.64	11,523.42
Hobgood-----	Norfolk and Carolina-----	.71	18,480.46	13,121.12
	Wilmington and Weldon (Scotland Neck Branch).	.23	7,043.04	1,619.89
Henderson-----	Durham and Northern-----	.65	5,186.96	3,371.52

STATEMENT D—Continued.

Town.	Name of Road.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
Henderson-----	Oxford and Henderson-----	.36	-----	1,531.01
	Raleigh and Gaston-----	1.40	\$19,631.10	\$27,483.54
Hope Mills-----	Wilmington and Weldon (Fayetteville Branch).	1.50	20,287.68	30,431.52
Hickory-----	Carolina and Northwestern-----	.45	3,137.14	1,411.71
	Western North Carolina-----	2.00	12,523.64	25,047.29
High Point-----	North Carolina-----	2.44	16,758.71	40,891.25
	High Point, Randleman, Ashboro and Southern.	1.38	4,210.00	5,809.98
	North Carolina-----	-----	-----	3,009.98
Hamlet-----	Palmetto-----	.76	2,294.50	1,743.82
	Raleigh and Augusta-----	.99	11,378.76	11,759.97
Hub-----	Wilmington, Chadbourn and Conway-----	1.05	3,072.59	3,226.22
Hamlet-----	Carolina Central-----	1.51	7,000.98	10,571.48
Hillsboro-----	North Carolina-----	-----	-----	160.36
	North Carolina-----	.13	16,758.71	2,178.63
Hope Mills-----	Cape Fear and Yadkin Valley-----	1.50	6,234.54	9,351.80
Huntersville-----	Atlantic, Tennessee and Ohio-----	1.00	-----	7,450.89
Hot Springs-----	Western North Carolina-----	1.08	12,523.64	13,525.53
Jacksonville-----	Western and Norfolk-----	.64	4,419.73	2,828.62
Jamesville-----	Albemarle and Raleigh-----	.57	4,864.39	2,772.70
Jonesboro-----	Cape Fear and Yadkin Valley-----	1.00	6,234.54	6,234.54
Kings Mountain-----	Atlanta and Charlotte Air Line-----	1.53	16,145.17	24,702.12
Kernersville-----	Northwestern North Carolina-----	1.29	4,639.18	5,984.54
Kinston-----	Atlantic and North Carolina-----	.64	5,804.63	3,714.96
	Wilmington and Weldon (Scotland Neck Branch).	.36	7,043.04	2,535.49
Keyser-----	Raleigh and Augusta Air Line-----	1.00	-----	11,878.76
Kelford-----	Roanoke and Tar River-----	.57	5,142.96	2,931.49
Kittrell-----	Raleigh and Gaston-----	.30	19,631.10	5,889.33
Kelford-----	Norfolk and Carolina-----	.56	18,480.46	10,349.05
Kenly-----	Wilmington and Weldon (Wilson and Fay- etteville Branch).	.50	20,287.68	10,143.84
Littleton-----	Raleigh and Gaston-----	1.40	19,631.10	27,483.54
Lowell-----	Atlanta and Charlotte Air Line-----	.96	16,145.17	15,499.36
LaGrange-----	Atlantic and North Carolina-----	1.02	5,804.63	5,920.72
Lumberton-----	Carolina Central-----	.30	7,000.98	2,100.29
Laurinburg-----	Carolina Central-----	1.20	7,000.98	8,401.17
Lilesville-----	Carolina Central-----	1.00	-----	7,000.98

STATEMENT D—Continued.

Town.	Name of Road.	Dis- tance.	Valuation Per Mile.	Total Assessed Value.
Liberty -----	Cape Fear and Yadkin Valley -----	1.43	\$6,234.54	\$8,915.39
Lincolnton -----	Carolina Central -----	.90	7,000.98	6,300.88
	Carolina and Northwestern -----	1.02	3,137.14	3,199.88
Lenoir -----	Carolina and Northwestern -----	.86	3,137.14	2,697.94
Lexington -----	North Carolina -----			616.80
	North Carolina -----	.50	16,758.71	8,379.35
Louisburg -----	Louisburg -----	.48	3,200.00	1,536.00
Lucama -----	Wilmington and Weldon (Fayetteville Branch.) -----	.53	20,287.68	10,752.47
Morehead City --	Atlantic and North Carolina -----	2.75	5,804.63	15,962.73
Morrisville -----	North Carolina -----			740.17
	North Carolina -----	.60	16,758.71	10,055.22
Maxton -----	Cape Fear and Yadkin Valley -----	1.02	6,324.54	6,359.22
	Carolina Central -----	.50	7,000.98	3,510.49
Margarettsville --	Seaboard and Roanoke -----	1.00	20,677.57	20,677.57
Mebane -----	North Carolina -----			1,233.60
	North Carolina -----	1.00		16,758.71
Madison -----	Cape Fear and Yadkin Valley -----	.56	6,234.54	3,491.34
	Norfolk and Western -----	1.69	8,851.24	14,958.60
Mt. Airy -----	Cape Fear and Yadkin Valley -----	2.01	6,234.54	12,531.42
Mooresville -----	Atlantic, Tennessee and Ohio -----	2.00		14,901.78
Marshville -----	Carolina Central -----	1.00		7,000.98
Monroe -----	Carolina Central -----	.70	7,000.98	4,900.68
	Georgia, Carolina and Northern -----	.78	10,346.36	8,070.16
Matthews -----	Carolina Central -----	.90	7,000.98	6,300.88
Mount Holly -----	Carolina Central -----	1.30	7,000.98	9,101.27
McFarland -----	Cheraw and Darlington -----	1.00		3,688.85
Marion -----	Ohio River and Charleston -----	.63	4,507.29	2,839.59
	Western North Carolina -----	1.28	12,523.64	16,030.26
Mocksville -----	North Carolina Midland -----	.90	2,856.13	2,572.32
Morven -----	Cheraw and Darlington -----	1.00		3,688.85
Mooresboro -----	Ohio River and Charleston -----	1.00	4,507.29	4,507.29
Murphy -----	Western North Carolina -----	.52	3,822.65	1,987.78
	Atlanta, Knoxville and Northwestern -----	.60	3,233.59	1,940.15
Maiden -----	Carolina and Northwestern -----	1.16	3,137.14	3,639.08
Manly -----	Raleigh and Augusta Air Line -----	1.00	11,878.76	11,878.76
Macon -----	Raleigh and Gaston -----	1.00	19,631.10	19,631.10
Morganton -----	Western North Carolina -----	1.59	12,523.64	19,912.59

STATEMENT D—Continued.

Town.	Name of Road.	Distance.	Valuation Per Mile.	Total Assessed Value.
Marshall -----	Western North Carolina -----	1.03	\$12,523.64	\$12,899.35
Magnolia -----	Wilmington and Weldon -----	1.00	-----	20,101.78
Mount Olive -----	Wilmington and Weldon -----	.50	20,101.78	10,050.88
Newbern -----	Atlantic and North Carolina -----	1.25	5,804.63	7,255.78
	Wilmington, Newbern and Norfolk -----	1.20	4,419.73	5,303.67
Newport -----	Atlantic and North Carolina -----	1.00	5,804.63	5,804.63
Nashville -----	Wilmington and Weldon (Nashville Branch) -----	.67	4,341.61	2,908.88
Newton -----	Chester and Lenoir, Carolina and North-western.) -----	1.89	3,137.14	5,929.19
	Western North Carolina -----	.41	12,523.64	5,134.70
New London -----	Yadkin -----	1.65	2,905.12	4,793.44
Norwood -----	Yadkin -----	.35	2,905.12	1,016.79
N. Wilkesboro. --	Northwestern North Carolina -----	1.49	4,639.18	6,912.37
Oxford -----	Oxford and Clarksville -----	.70	5,202.70	3,641.88
Old Fort -----	Western North Carolina -----	.75	12,523.64	9,392.73
Pantego -----	Albemarle and Pantego, Division Norfolk and Southern. -----	.50	4,815.98	2,407.99
Parr ele -----	Albemarle and Raleigh -----	1.00	-----	4,864.39
	Wilmington and Weldon (Washington Branch). -----	.34	5,329.30	1,811.96
	Wilmington and Weldon (Scotland Neck Branch.) -----	1.00	-----	7,043.04
Polkton -----	Carolina Central -----	1.00	-----	7,000.98
Pembroke -----	Wilmington and Weldon -----	1.00	-----	20,287.68
Pine Level -----	North Carolina -----	1.00	-----	16,758.71
Plymouth -----	Albemarle and Raleigh -----	.13	4,864.39	632.37
Pilot Mountain --	Cape Fear and Yadkin Valley -----	1.48	6,234.54	9,227.11
Pineville -----	Charlotte, Columbia and Augusta -----	1.00	-----	17,025.26
Pittsboro -----	Pittsboro -----	.33	2,123.56	702.42
Pollocksville ---	Wilmington, Newbern and Norfolk -----	.49	4,419.73	2,165.66
Princeton -----	North Carolina -----	.40	16,758.71	6,703.48
Princeville -----	Albemarle and Raleigh -----	.45	4,864.39	2,188.96
Pikeville -----	Wilmington and Weldon -----	.65	20,101.78	13,066.15
Rowland -----	Wilmington and Weldon (Fayetteville Branch). -----	1.00	-----	20,287.68
Red Springs -----	Bowmore and Red Springs -----	.20	957.14	191.42
	Cape Fear and Yadkin Valley -----	1.00	6,234.54	6,234.54
Roseboro -----	Cape Fear and Yadkin Valley -----	.50	6,234.54	3,117.26
Rockingham -----	Carolina Central -----	.50	7,000.98	3,500.49
Ramseur -----	Cape Fear and Yadkin Valley -----	.75	6,234.54	4,675.90

STATEMENT D—Continued.

Town.	Name of Road.	Distance.	Valuation Per Mile.	Total Assessed Value.
Robersonville	Albemarle and Raleigh	.86	\$4,864.39	\$4,183.37
Randleman	High Point, Randleman, Ashboro and Southern.	.77	4,210.00	3,241.75
Raleigh	North Carolina			1,233.60
	Raleigh and Augusta Air Line	.20	11,878.76	2,375.75
	Raleigh and Gaston	.90	19,631.10	17,667.99
	North Carolina	1.00		16,758.71
Rennert	Wilmington and Weldon (F.)	2.00	20,287.68	40,575.36
Ruffin	Piedmont	1.00		19,949.21
Roxboro	Norfolk and Western	.98	5,885.37	5,767.66
Reidsville	Piedmont	1.14	19,949.21	22,742.11
Rocky Mount	Wilmington and Weldon	1.13	20,101.78	22,715.00
	Wilmington and Weldon (Nashville Branch)	.23	4,341.61	998.57
Saluda	Asheville and Spartanburg	1.00		8,172.64
Sanford	Cape Fear and Yadkin Valley	1.00	6,234.54	6,234.54
	Raleigh and Augusta Air Line	1.00	11,878.76	11,878.76
Statesville	Atlantic, Tennessee and Ohio	.26	7,450.89	1,937.23
	Western North Carolina	.74	12,523.64	9,267.49
	Statesville and Western	.67	2,387.86	1,599.87
Stanly Creek	Carolina Central	.50	7,000.98	3,500.49
Shelby	Carolina Central	1.10	7,000.98	7,701.08
	Ohio River and Charleston	1.36	4,507.29	6,129.92
Salem	Northwestern North Carolina	.37	4,639.18	1,726.49
	Norfolk and Western	.25	8,851.24	2,212.81
Selma	North Carolina			1,233.60
	Wilmington and Weldon (Fayetteville Branch).	.92	20,287.68	18,664.66
	North Carolina	1.00		16,758.71
Salisbury	North Carolina			1,603.68
	Yadkin			1,510.66
	Western North Carolina	1.27	15,523.64	15,905.02
	North Carolina	1.30	16,758.71	21,786.32
Southern Pines	Raleigh and Augusta Air Line	1.46	11,878.76	17,342.99
Siler City	Cape Fear and Yadkin Valley	1.06	6,234.54	6,598.61
Stoneville	Norfolk and Western	1.03	8,851.24	9,116.78
Sylva	Western North Carolina	1.00	3,822.65	3,822.65
Springhope	Wilmington and Weldon (Nashville Branch)	.67	4,341.61	2,908.88
Scotland Neck	Wilmington and Weldon (Scotland Neck Branch).	1.00		7,043.04

STATEMENT D—Continued.

Town.	Name of Road.	Distance.	Valuation Per Mile.	Total Assessed Value.
Star -----	Aberdeen and Ashboro -----	1.00	\$2,670.31	\$2,670.31
Seaboard -----	Seaboard and Roanoke -----	1.00	20,677.57	20,677.57
Tryon City -----	Asheville and Spartanburg -----	1.00	-----	8,172.64
Trinity -----	High Point, Randleman, Ashboro and Southern.	.76	4,210.00	3,199.65
Tarboro -----	Albemarle and Raleigh -----	1.20	4,864.39	5,837.27
	Norfolk and Carolina -----	.22	18,480.46	4,065.70
	Wilmington and Weldon (Tarboro Branch) --	.25	18,539.30	4,634.82
Thomasville -----	North Carolina -----	-----	-----	1,233.60
	North Carolina -----	1.00	-----	16,758.71
Taylorsville -----	Statesville and Western -----	.42	2,387.86	1,002.90
Troy -----	Aberdeen and Ashboro -----	.25	2,670.31	667.57
Victoria -----	Asheville and Spartanburg -----	.14	8,172.64	1,144.17
	Western North Carolina -----	1.50	12,523.64	18,785.46
Vaughan -----	Raleigh and Gaston -----	.85	19,631.10	16,686.43
Weldon -----	Seaboard and Roanoke -----	.30	20,677.57	6,203.27
	Wilmington and Weldon -----	1.20	20,101.78	24,122.13
	Raleigh and Gaston -----	.40	19,631.10	7,832.44
Wilmington -----	Cape Fear and Yadkin Valley -----	.01	6,234.54	62.34
	Carolina Centra -----	1.00	-----	7,000.98
	Wilmington, Newbern and Norfolk -----	1.85	4,419.73	8,176.50
	Wilmington and Weldon -----	1.57	20,101.78	31,559.79
	Wilmington Dummy Line -----	1.25	4,550.00	5,687.50
Wallace -----	Wilmington and Weldon -----	.50	20,101.78	10,050.88
Warsaw -----	Wilmington and Weldon -----	1.00	-----	20,101.78
	Wilmington and Weldon (Clinton Branch) --	.46	4,276.15	1,967.00
Wilson -----	Wilmington and Weldon -----	.81	20,101.78	16,282.44
Whitaker -----	Wilmington and Weldon -----	1.00	20,101.78	20,101.78
Windfall -----	Norfolk and Southern -----	.50	17,181.45	8,590.72
Williamston -----	Albemarle and Raleigh -----	.30	4,864.39	1,459.31
Windsor -----	Wellington and Powellsville -----	1.50	1,728.75	2,593.12
Wake Forest -----	Raleigh and Gaston -----	1.00	19,631.10	19,631.10
Winston -----	North Carolina, Midland -----	.94	2,858.13	2,686.64
	Northwestern North Carolina -----	1.29	4,639.18	5,984.54
	Norfolk and Western -----	1.17	8,851.24	10,355.95
Waco -----	Carolina Central -----	1.00	-----	7,000.98
Waxhaw -----	Georgia, Carolina and Northern -----	.31	10,346.36	3,207.37

STATEMENT D—Continued.

Town.	Name of Road.	Distance.	Valuation Per Mile.	Total Assessed Value.
Whiteville -----	Wilmington, Columbia and Augusta -----	1.06	\$12,251.72	\$12,986.82
Waynesville -----	Western North Carolina -----	1.34	3,822.65	5,122.36
Washington -----	Wilmington and Weldon (Washington Branch).	.97	5,329.30	5,169.42
Youngsville -----	Raleigh and Gaston -----	.50	19,631.10	9,815.55

Assessment of Telegraph Companies.

STATEMENT F—Showing Counties, Towns and Valuation.

WESTERN UNION TELEGRAPH COMPANY.

13,008.16 miles of Wire, } Value..... \$750,000.00
 Battery and Office Furniture, }

Apportioned as Follows :

Counties.	Distance.	Valuation Per Mile.	Total Assessed Value Counties.
Alamance	86.15	\$57,656	\$4,967.06
Alexander	9.10	do	524.66
Anson	164.92	do	9,508.62
Beaufort	6.38	do	367.84
Bertie	55.36	do	3,191.83
Bladen	98.37	do	5,671.62
Brunswick	106.66	do	6,149.58
Buncombe	183.75	do	10,594.29
Burke	85.00	do	4,900.76
Cabarrus	458.46	do	26,432.96
Caldwell	14.20	do	818.71
Camden	5.00	do	288.28
Carteret	18.13	do	1,045.30
Caswell	211.20	do	12,176.94
Catawba	107.23	do	6,182.45
Chatham	90.00	do	5,189.04
Cherokee	23.50	do	1,354.91
Chowan	4.20	do	242.15
Cleveland	149.03	do	8,592.47
Columbus	372.68	do	21,487.23
Craven	92.20	do	5,315.88
Cumberland	271.14	do	15,632.84
Currituck	14.30	do	824.48
Davidson	634.00	do	36,553.90
Davie	12.20	do	703.40
Duplin	350.00	do	20,179.60

Western Union Telegraph Company—Continued.

Counties.	Distance.	Valuation Per Mile.	Total Assessed Value Counties.
Durham	160.45	\$57,656	\$9,250.90
Edgecombe	495.48	do	28,567.39
Forsyth	126.97	do	7,320.58
Franklin	36.00	do	2,075.61
Gaston	338.01	do	19,488.30
Gates	59.30	do	3,419.00
Granville	95.80	do	5,523.44
Guilford	1,142.00	do	65,843.15
Harnett	52.42	do	3,022.32
Haywood	21.60	do	1,245.36
Halifax	421.09	do	34,278.36
Henderson	66.00	do	3,805.29
Hertford	58.12	do	3,350.96
Iredell	98.64	do	5,687.18
Jackson	22.80	do	1,314.55
Johnston	357.22	do	20,607.40
Jones	19.78	do	1,140.43
Lenoir	45.07	do	2,598.55
Lincoln	31.79	do	1,832.88
McDowell	101.07	do	5,827.29
Macon	2.60	do	149.90
Madison	91.68	do	5,285.90
Martin	51.68	do	2,979.66
Mecklenburg	803.97	do	46,641.97
Mitchell	5.00	do	288.28
Moore	101.00	do	5,823.25
Nash	19.20	do	1,106.99
New Hanover	205.49	do	11,317.73
Northampton	300.10	do	17,302.56
Onslow	36.36	do	2,096.37
Orange	107.85	do	6,218.19
Pasquotank	12.57	do	724.73
Pender	296.40	do	17,089.23
Perquimans	16.30	do	939.79
Person	39.21	do	2,260.69
Pitt	56.49	do	3,256.98
Polk	28.50	do	1,643.19

Western Union Telegraph Company—Continued.

Counties.	Distance.	Valuation Per Mile.	Total Assessed Value Counties.
Randolph-----	74.30	\$57.656	\$4,283.84
Richmond-----	218.77	do	12,613.40
Robeson-----	317.56	do	18,309.23
Rockingham-----	649.49	do	37,446.99
Rowan-----	617.99	do	35,630.83
Rutherford-----	25.00	do	1,441.40
Sampson-----	77.40	do	4,462.57
Stanly-----	23.00	do	1,326.08
Stokes-----	41.20	do	2,375.42
Surry-----	52.10	do	3,003.87
Swain-----	38.50	do	2,219.75
Union-----	126.54	do	7,295.79
Vance-----	82.06	do	4,731.25
Wake-----	330.55	do	19,058.19
Warren-----	80.74	do	4,655.14
Washington-----	3.87	do	223.12
Wayne-----	373.21	do	21,517.79
Wilkes-----	18.10	do	1,043.57
Wilson-----	299.05	do	17,242.02

Western Union Telegraph Company—Continued.

Town.	Distance. Miles.	Valuation Per Mile.	Total Assessed Value.
Aberdeen -----	2.00	\$57,656	\$115.31
Ahoskie -----	1.11	do	63.99
Albemarle -----	.80	do	46.12
Apex -----	1.80	do	103.78
Ashboro -----	1.07	do	61.69
Asheville -----	22.12	do	1,275.35
Ayden -----	.30	do	17.29
Battleboro -----	6.36	do	366.69
Benson -----	2.50	do	144.15
Bethel -----	.27	do	15.56
Black Creek -----	4.77	do	275.01
Bryson City -----	.80	do	46.12
Burgaw -----	3.30	do	190.26
Burlington -----	10.00	do	576.56
Cameron -----	1.86	do	107.24
Canton -----	.57	do	32.86
Cary -----	16.08	do	927.10
Chadbourne -----	9.03	do	520.63
Charlotte -----	63.94	do	3,686.52
Cherryville -----	1.16	do	66.88
China Grove -----	28.84	do	1,662.79
Claremont -----	3.00	do	172.96
Clinton -----	.33	do	19.02
Clayton -----	7.91	do	456.05
Concord -----	6.51	do	375.34
Conetoe -----	.63	do	36.32
Conover -----	4.00	do	230.62
Cleveland -----	3.99	do	230.04
Clyde -----	.73	do	42.08
Davidson College -----	1.83	do	105.51
Dallas -----	.76	do	43.81
Dillsboro -----	.67	do	38.62
Dunn -----	5.00	do	288.28
Durham -----	5.38	do	310.18
Earle's -----	1.00	do	57.65
Elkin -----	.93	do	53.62
Elk Park -----	1.20	do	69.18

Western Union Telegraph Company—Continued.

Town.	Distance, Miles.	Valuation Per Mile.	Total Assessed Value.
Ellenboro	1.51	\$57.656	\$87.06
Elm City	17.22	do	992.83
Enfield	16.32	do	940.94
Everett .....	.80	do	46.12
Faison	6.70	do	386.29
Fair Bluff	5.04	do	290.58
Fayetteville	18.64	do	1,074.70
Forest City .....	.83	do	47.85
Four Oaks	2.85	do	164.31
Franklinton	2.10	do	121.07
Fremont	5.67	do	326.90
Gastonia	11.44	do	659.58
Goldsboro	17.15	do	988.80
Greensboro	108.52	do	6,256.82
Greenville .....	.50	do	28.82
Grifton .....	.73	do	42.08
Grover	8.16	do	470.47
Henderson	6.06	do	349.39
Hendersonville	1.67	do	96.28
Hickory	8.68	do	500.45
High Point	33.50	do	1,931.47
Hillsboro .....	.85	do	49.00
Haygood	4.00	do	230.62
Hope Mills	8.12	do	468.16
Huntersville .....	.90	do	51.89
Hot Springs	2.40	do	138.37
Jacksonville .....	.71	do	40.93
Jamesville .....	.48	do	27.67
Jonesboro	2.94	do	169.50
Kenly	3.42	do	197.18
Kelford	2.50	do	144.13
Kernersville	4.52	do	260.60
Kings Mountain	21.22	do	1,223.46
Kinston	2.83	do	163.16
Kittrell	1.29	do	74.37
Keyser	2.06	do	118.77
LaGrange	1.46	do	84.17

Western Union Telegraph Company—Continued.

Town.	Distance, Miles.	Valuation Per Mile.	Total Assessed Value.
Laurinburg -----	6.00	\$57.656	\$345.93
Lenoir -----	.57	do	32.86
Lexington -----	15.76	do	908.65
Liberty -----	2.34	do	134.91
Lilesville -----	5.00	do	288.28
Littleton -----	3.51	do	202.37
Lincolnton -----	1.83	do	105.51
Lowell -----	15.00	do	864.84
Lucama -----	4.38	do	252.53
Lumberton -----	.99	do	57.07
Macon -----	2.61	do	150.48
Madison -----	3.14	do	181.03
McFarland -----	1.92	do	110.69
Maiden -----	1.00	do	57.65
Manly -----	2.00	do	115.31
Magnolia -----	10.00	do	576.56
Marion -----	3.40	do	196.03
Marshall -----	3.21	do	185.07
Mebane -----	2.92	do	168.35
Maxton -----	6.34	do	365.53
Milton -----	.26	do	14.99
Mocksville -----	.50	do	28.82
Morehead City -----	2.13	do	122.80
Monroe -----	5.80	do	334.40
Mooresville -----	1.70	do	98.01
Mount Airy -----	.17	do	9.80
Mount Holly -----	1.00	do	57.65
Morrisville -----	2.80	do	161.43
Morven -----	1.00	do	57.65
Morganton -----	4.29	do	247.34
Mount Olive -----	5.30	do	305.57
Murfreesboro -----	1.14	do	65.72
Murphy -----	.83	do	47.85
Matthews -----	6.00	do	345.93
Nashville -----	.67	do	38.62
Newbern -----	5.77	do	332.67
New London -----	.67	do	38.62

Western Union Telegraph Company—Continued.

Towns.	Distance, Miles.	Valuation Per Mile.	Total Assessed Value.
Newport	1.40	\$57.656	\$80.71
Newton	3.42	do	197.18
North Wilkesboro.....	1.00	do	57.65
Norwood.....	10.00	do	576.56
Old Fort.....	2.10	do	121.07
Oxford	3.96	do	228.31
Parmele.....	.43	do	24.79
Pikesville.....	7.47	do	430.69
Pine Level.....	3.60	do	207.56
Pilot Mountain .....	.90	do	51.89
Pineville.....	19.33	do	1,114.49
Polkton	5.00	do	288.28
Pollocksville .....	.50	do	28.82
Plymouth .....	.27	do	15.56
Randleman.....	.40	do	23.06
Raleigh.....	32.32	do	1,863.44
Red Springs	3.00	do	172.96
Reidsville.....	33.34	do	1,922.25
Robersonville .....	.60	do	34.59
Rockingham	3.15	do	181.61
Rocky Mount	32.62	do	1,880.73
Roseboro.....	.74	do	42.66
Rowland	3.28	do	189.11
Roxboro.....	1.00	do	57.65
Salem	1.71	do	98.59
Salisbury	44.57	do	2,569.72
Saluda	1.00	do	57.65
Sanford	9.32	do	537.35
Seaboard	3.00	do	172.96
Selma.....	11.42	do	658.43
Scotland Neck	1.00	do	57.65
Shelby	5.27	do	303.84
Siler City	2.00	do	115.31
Smithfield .....	.90	do	51.89
Southern Pines	2.34	do	134.91
Spring Hope.....	.60	do	34.59
Stanley Creek .....	.83	do	47.85

Western Union Telegraph Company—Continued.

Towns.	Distance, Miles.	Valuation Per Mile.	Total Assessed Value.
Statesville	6.58	\$57.656	\$379.37
Stoneville	1.74	do	100.32
Sylva .....	.67	do	38.62
Tarboro	11.15	do	642.86
Taylorsville .....	.37	do	21.33
Thomasville	28.97	do	1,670.29
Trinity .....	.80	do	46.12
Tryon City	1.80	do	103.78
Vaughan	2.61	do	150.48
Wallace	6.70	do	346.29
Warrenton	1.74	do	100.32
Warsaw	14.20	do	318.71
Washington	1.00	do	57.65
Waxhaw .....	.87	do	50.16
Waynesville .....	.93	do	53.62
Wake Forest	3.39	do	195.45
Weldon	21.13	do	1,218.27
Whiteville	6.60	do	380.52
Whitaker	15.86	do	914.42
Williamston .....	.46	do	26.52
Wilmington	48.08	do	2,772.10
Wilson	16.98	do	987.99
Winfall .....	.50	do	28.82
Winston	8.93	do	514.86

ATLANTIC POSTAL TELEGRAPH CABLE COMPANY.

STATEMENT G.—Showing Counties, Towns and Valuation.

1,502.72 miles wire. Valuation, \$50,000.00.

Apportioned as Follows :

County.	Distance.	Valuation Per Mile.	Total Assessed Value.
Bladen	95.20	\$33.273	\$3,167.30
Brunswick	27.80	do	924.90
Columbus	17.00	do	565.59
Cumberland	212.08	do	7,055.90
Durham	13.50	do	449.14
Franklin	85.05	do	2,829.61
Halifax	66.50	do	2,212.45
Harnett	147.00	do	4,890.69
Johnston	7.00	do	232.89
New Hanover	4.00	do	133.08
Northampton	36.40	do	1,211.02
Richmond	121.40	do	4,038.97
Robeson	108.24	do	3,601.14
Vance	142.10	do	4,727.66
Wake	253.90	do	8,447.25
Warren	165.55	do	5,507.84

STATEMENT G.—Continued.

Towns.	Distance.	Valuation Per Mile.	Total Assessed Value.
Durham .....	.60	\$33.273	\$19.96
Fayetteville	15.75	do	524.00
Franklinton	5.25	do	174.66
Henderson	8.75	do	291.11
Littleton	10.50	do	349.33
Raleigh	19.82	do	659.41
Warrenton	5.60	do	186.31

STATEMENT H.—Miscellaneous Telegraph Companies.

Name of Company.	Number Miles.	Total Value of Line.	Battery, Etc.	Total.	Appor- tionment.
Carthage Telegraph Line -----	10	\$200.00	\$10.00	\$210.00	-----
Moore County -----					\$210.00
Pittsboro Telegraph Line -----	12	240.00	10.00	250.00	-----
Chatham County -----					250.00
Pittsboro -----					5.21
Louisburg Telegraph Company -----	10	200.00		200.00	-----
Franklin County -----					200.00
United Telegraph Company -----	6	75.00	10.00	85.00	-----
Hertford County -----					26.66
Northampton County -----					53.34
Cleveland Springs Telegraph Company -----	2	40.00	10.00	50.00	-----
Cleveland County -----					50.00
Shelby -----					15.00
Oak Ridge and Stokesdale Tel. Co. -----	6				-----
Guilford County -----					140.00
Elizabeth City and Norfolk Tel. Co. -----	52	1,300.00	50.00	1,350.00	-----
Camden County -----					259.60
Pasquotank County -----					493.30
Perquimans County -----					467.30
Chowan County -----					129.80
Lenoir and Blowing Rock Tel. Co. -----	22	440.00	40.00	480.00	-----
Caldwell County -----					436.37
Watauga County -----					43.63
Sweptsonville Telegraph Company -----	4	80.00			-----
Alamance County -----					80.00
Carolina Postal Telegraph Company -----	8	160.00	5.00	165.00	-----
Cumberland County -----					165.00
Wilmington and Southport -----					-----
Brunswick County -----					500.00

Assessment of Steamboat and Canal Property.

STATEMENT I.—Steamboat and Canal Property.

Owners.	Kind of Property.	Location, County.	Valuation.
Chas. Wessell	One Steamer.....	New Hanover.....	\$1,100.00
David Styron	One Steamer.....	Craven.....	600.00
J. C. Whitty	One Steamer.....	Craven	1,000.00
Cape Fear River Transportation Co.....	Two Steamers.....	Cumberland	5,100.00
J. L. Basnight.....	One Steamer.....	Craven	250.00
Fairfield Canal and Transportation Co.....	Canal	Hyde	7,376.00
Old Dominion Steamship Co	Five Steamers, etc..	Pitt	1,250.00
		Edgecombe	500.00
		Beaufort	15,000.00
		Hyde	10,928.57
		Camden	1,428.57
		Pasquotank	1,428.57
		Dare	5,428.57
		Pamlico	1,428.58
		Craven	6,428.57
J. G. & F. Wood.....	Five Steamers	Carteret	1,428.57
		Chowan	3,000.00
		Edgecombe	2,500.00
		Pender	2,500.00
		Brunswick	23,500.00
		Currituck	100,000.00
		Pasquotank	7,142.85
		Camden	7,142.85
		Dare	7,142.85
Albemarle and Chesapeake Canal Co.....	Steamer and Wharf..	Hyde	8,142.85
		Carteret	7,142.85
		Pamlico	9,642.85
		Craven	7,142.85
		Pender.....	500.00
		do	800.00
		Craven	1,550.00
		Pitt	1,000.00
		Martin	6,461.00
W. H. Ward	One Steamer.....	Chowan	800.00
Broadus & Ives.....	do		
J. J. Lassiter	do		
Moccasin River Steamboat Co.....	do		
Roanoke and Tar River Steamboat Co.....	do		
D. W. Roper & Co.....	do		

Assessment of Steamboat and Canal Property—Continued.

Owners.	Kind of Property.	Location County.	Valuation.
H. G. Ward	One Steamer	Chowan	\$650.00
J. W. Harper.....	do	Brunswick	8,000.00
J. H. Guard, John Thomson	do	Pasquotank	500.00
Branning Manufacturing Steamboat Co.....	do	Chowan	7,500.00
Fairfield and Elizabeth City Trans. Co.....	do	Hyde	1,000.00
Lake Drummond Canal Co.....	Canal	Camden	8,000.00
		Pasquotank	8,000.00
Newbern and Snow Hill Steamboat Co	Steamers	Craven	2,550.00
Walter Taft.....	do	New Hanover.....	700.00
G. C. Hewlett	do	New Hanover.....	500.00

Assessment of Pullman's Palace Car Company.

STATEMENT J—Showing the total number of cars required to operate each line through the State, the total value of the cars in each line, the number of miles of each line within the State of North Carolina, and the proportional value of the cars in each line according to the number of miles in North Carolina, with a recapitulation showing the total number of cars operated on each Railroad through the State, the total mileage of lines running over such Railroad, the total number of cars required to operate them, with the total value of such cars, the total number of miles of all lines, running over such roads in the State of North Carolina, and the proportional value of such cars according to the mileage in the State of North Carolina, and the apportionment to the different Counties.

ATLANTIC COAST LINE—Standard Sleeping Cars at \$5,000 Each.

Number and Name of Line.	Total Mileage of Line.	Total Cars Required.	Total Value of Cars.	Mileage in North Carolina.	Proportion of Value According to the Mileage in North Carolina.
186 Jersey City and Port Tampa.....	1,290	5	\$2,000.00	181.78	\$3,522.79
187 Wilmington and Wilson.....	108	1	5,000.00	108.00	5,000.00
189 Wilmington and Charleston....	212	2	10,000.00	65.16	3,073.57
190 Jersey City and Jacksonville....	1,024	4	20,000.00	181.78	3,550.39
196 Jersey City and Macon.....	920	4	20,000.00	181.78	3,951.74
197 Jersey City and Jacksonville....	1,024	5	25,000.00	181.78	4,437.99
595 Washington and Atlanta.....	718	3	15,000.00	9.18	191.78
	5,296	24	120,000.00	909.46	23,728.27

SOUTHERN RAILWAY—Standard Sleeping Cars at \$5,000 Each.

560 Jersey City and New Orleans....	1,368	5	\$25,000.00	177.3	\$3,240.13
561 Jersey City and New Orleans....	1,368	5	25,000.00	177.3	3,240.13
564 Richmond and Charlotte.....	283	3	15,000.00	135.9	7,203.18
565 Jersey City and Jacksonville....	997	4	20,000.00	147.4	2,956.87
566 Jersey City and Tampa.....	1,209	5	25,000.00	147.4	3,047.97
568 Greensboro and Raleigh.....	81	2	10,000.00	81.0	10,000.00
569 Pinner's Point and Nashville....	982	4	20,000.00	465.0	9,470.47
570 Jersey City and Memphis.....	1,293	5	25,000.00	177.3	3,428.07
571 Charlotte and Augusta.....	191	2	10,000.00	11.5	602.09
572 Jersey City and Nashville.....	1,095	5	25,000.00	277.5	6,335.62
590 Cincinnati and Jacksonville....	879	4	20,000.00	88.3	2,009.10
	9,746	44	220,000.00	1,885.9	51,533.63

SEABOARD AIR LINE.—Standard Sleeping Cars at \$5,000 Each.

Number and Name of Line.	Total Mileage of Line.	Total Cars Required.	Total Value of Cars.	Mileage in North Carolina.	Proportion of Value According to the Mileage in North Carolina.
595 Washington and Atlanta	718	3	\$15,000.00	260.6	\$5,444.29
596 Portsmouth and Chester	371	2	10,000.00	309.5	8,342.33
597 Portsmouth and Nashville.....	886	5	25,000.00	278.9	7,869.64
	1,975	10	50,000.00	849.0	21,656.25

RECAPITULATION.

Atlantic Coast Line	5,296	24	\$120,000.00	909.46	\$23,728.27
Southern Railway.....	9,746	44	220,000.00	1,885.9	51,533.63
Seaboard Air Line.....	1,975	10	50,000.00	849.0	21,656.25
	17,017	78	390,000.00	3,644.36	96,918.15

Apportioned to the following Counties :

PULLMAN'S PALACE CAR COMPANY.

County.	Valuation.
Wake	\$5,249.04
Durham	2,343.46
Orange	2,220.12
Alamance	2,590.14
Guilford	5,136.82
Caswell	863.38
Rockingham	2,713.45
Davidson	3,876.76
Rowan	3,260.16
Cabarrus	2,543.46
Mecklenburg	4,250.20

PULLMAN'S PALACE CAR COMPANY—Continued.

County.	Valuation.
Gaston	\$3,206.84
Cleveland	1,110.06
Iredell	1,472.52
Catawba	1,682.88
Burke	2,173.72
McDowell	2,384.08
Buncombe	2,874.96
Madison	2,243.84
Northampton	2,058.05
Halifax	3,774.90
Warren	1,766.40
Vance	1,612.80
Franklin	998.40
Chatham	1,228.80
Moore	2,918.40
Richmond	3,071.25
Union	1,689.60
Anson	2,073.00
Nash	941.05
Edgecombe	1,455.50
Wilson	3,526.75
Johnston	2,766.50
Harnett	513.30
Cumberland	2,737.60
Robeson	2,908.32
New Hanover	750.94
Brunswick	550.32
Columbus	2,293.38
Pender	1,130.22
Duplin	1,521.95
Wayne	1,391.49
Randolph	123.34
Bertie	280.00
Hertford	320.00
Gates	320.00

Compilation from Railroad Returns for the Year Ending June 30, 1898.

Atlantic Coast Line System.

Lines Owned, Leased, Controlled and Operated in North Carolina.

	Miles.	
Wilmington and Weldon Railroad and Branches		614.55
Wilmington, Columbia and Augusta Railroad, including Conway Branch	93.80	
Cheraw and Darlington Railroad	14.27	
Petersburg Railroad	7.03	
Norfolk and Carolina	66.60	
Spurs	15.88	
		812.13

WILMINGTON AND WELDON RAILROAD COMPANY.

NAME.	TERMINALS.		Miles of Line for each Road named.	Miles of Line for each Class of Roads named.
	From—	To—		
Wilmington and Weldon ..	Wilmington	Weldon	161.40	161.40
<i>Branches.</i>				
Wilson and Fayetteville....	Contentnea	N. and S. C. State Line..	116.20	
Tarboro	Rocky Mount	Plymouth	68.27	
Scotland Neck and Kinston..	Pender	Kinston	85.82	
Washington	Parmelee	Washington	25.39	
Nashville	Rocky Mount	Springhope	19.20	
Clinton	Warsaw	Clinton	13.43	
Midland, N. C.	Goldsboro	Smithfield	21.50	
Newbern	Wilmington	Newbern	86.21	
				436.02
Spurs to Mills, etc.			15.88	15.88
Dummy Line			1.25	1.25
				614.55

CAPITAL STOCK.

Number of shares authorized—Common	\$30,000
Par value of shares	\$100.00
Total par value authorized.....	3,000,000.00
Total amount issued and outstanding.....	3,000,000.00
Dividends declared during year.....	240,000.00

Rate of interest, 8 per cent.

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue	When Due.				
First mortgage.....	1885	1935	\$3,062,000.00	\$3,062,000.00	\$3,062,000.00	\$3,062,000.00
First mortgage.....	1897	1935	938,000.00	938,000.00	938,000.00	938,000.00
First mortgage.....	1897	1944	500,000.00	500,000.00	500,000.00	500,000.00
First mortgage.....	1897	1917.	500,000.00	500,000.00	500,000.00	500,000.00
Certificates of indebtedness—						
Special trust certificates.....	1888	1937	380,000.00	380,000.00	380,000.00	380,000.00
Certificates of indebtedness.....	1887	-----	2,500,000.00	2,500,000.00	2,500,000.00	-----
Grand total			7,880,000.00	7,880,000.00	7,880,000.00	5,380,000.00

INTEREST.

Class of Bond or Obligation.	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First mortgage.....	5	-----	\$153,100.00	-----
First mortgage.....	4	-----	37,520.00	-----
First mortgage.....	4	-----	20,000.00	-----
First mortgage.....	4	-----	10,000.00	-----
Certificates of indebtedness—				
Special trust certificates	6	-----	22,800.00	-----
Certificates of indebtedness.....	7	-----	175,000.00	-----
Grand total		-----	418,420.00	418,420.00

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$7,880,000.00
Amount outstanding	7,880,000.00
Interest—amount accrued during year	418,420.00
Amount paid during year	418,420.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.	
Cash	\$18,807.41
Bills receivable	7,576.79
Due from agents	30,993.81
Due from solvent companies and individuals	548,681.04
Cash deposited to pay coupons	96,625.00
Total	702,686.05
LIABILITIES.	
Audited vouchers and accounts	\$19,336.94
Wages and salaries	71,918.36
Dividends not called for	3,548.50
Matured interest coupons unpaid	98,650.63
Miscellaneous	54,433.00
Total current liabilities	247,887.43
Balance cash assets	454,798.62
Total	702,686.05

RECAPITULATION.
FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE.	
			Miles.	Amount.
Capital Stock	\$3,000,000.00	\$3,000,000.00	613.30	\$4,892.00
Bonds	7,880,000.00	7,880,000.00	613.30	12,848.00
Total	10,880,000.00	10,880,000.00	613.30	17,740.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures During Year.	Amount.
Charged to construction or equipment	\$513,415.00
Total cost to June 30, 1897	10,802,242.32
Total cost to June 30, 1898	11,315,657.32
Cost per mile	18,450.44

INCOME ACCOUNT.

[FOR ROADS MAKING OPERATING REPORTS].

Gross earnings from operation	\$2,200,043.83	-----
Less operating expenses	1,240,450.11	-----
Income from operation		959,593.72
Miscellaneous income—less expenses	31,805.75	-----
Income from other sources		31,805.75
Total income		991,399.47
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	418,420.00	-----
Taxes	62,750.06	-----
Total deductions from income		481,170.06
Net income		510,229.41
Dividends, ____ per cent common stock	240,000.00	-----
Total		240,000.00
Surplus from operations of year ending June 30, 1898		270,229.41
Surplus on June 30, 1897, (from "General Balance Sheet," 1897 Report)		584,050.95
Additions for year		36,175.58
Surplus on June 30, 1898, (for entry on "General Balance Sheet")		890,455.94

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Total passenger revenue.....	-----	-----	\$454,114.63
Mail.....	-----	-----	109,495.38
Express.....	-----	-----	73,485.21
Extra baggage and storage.....	-----	-----	5,202.86
Total passenger earnings.....	-----	-----	642,298.08
Total freight earnings.....	-----	-----	1,494,267.70
Total passenger and freight earnings.....	-----	-----	2,136,565.78
OTHER EARNINGS FROM OPERATION—			
Car mileage—balance.....	-----	-----	2,546.05
Telegraph companies.....	-----	-----	4,818.47
Rents from tracks, yards and terminals.....	-----	-----	20,962.63
Other sources.....	-----	-----	35,150.90
Total other earnings.....	-----	-----	63,478.05
Total gross earnings from operation—entire line.	-----	-----	2,200,043.83

RENTALS RECEIVED.

Tracks—situated Selma to Tarboro, leased by Southern Railway Company, \$20,962.63.

MISCELLANEOUS INCOME.

Item.	Net Miscellaneous Income.
Interest, rents, etc.....	\$22,718.09
Operating hotels.....	822.65
From lease of the Wilmington, Columbia and Augusta Railroad Company.....	8,265.01
Total.....	31,805.75

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures.....	\$354,132.20
Maintenance of equipment.....	310,428.69
Conducting transportation.....	518,608.69
General expenses.....	57,280.53
Grand total.....	1,240,450.11
Percentage of expenses to earnings.....	56.4

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Total.	ASSETS.	Total.	Increase.	Decrease.
\$10,802,242.32	{ Cost of road..... }	\$11,315,657.32	\$513,415.00	-----
	{ Cost of equipment..... }			
419,843.90	Cash and current assets.....	702,686.05	282,842.15	-----
11,222,086.22	Grand total	12,018,343.37	796,257.15	-----
LIABILITIES.				
3,000,000.00	Capital stock.....	\$3,000,000.00		-----
7,380,000.00	Funded debt.....	7,880,000.00	\$500,000.00	-----
258,035.27	Current liabilities	247,887.43		\$10,147.84
584,050.95	Profit and loss	890,455.94	306,404.99	-----
11,222,086.22	Grand total	12,018,343.37	796,257.15	-----

EMPLOYEES AND SALARIES.

Class.	Number.	Total Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General administration.....	89	32,485	\$30,051.06	\$0.92
Maintenance of way and structures.....	485	155,030	129,091.44	.83
Maintenance of equipment.....	291	90,792	137,605.32	1.51
Conducting transportation	537	178,694	260,518.90	1.46
Total (including "General Officers").....	1,402	457,001	557,266.72	1.22

PASSENGER AND FREIGHT AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		<i>Dollars.</i>	<i>Cents</i>	<i>Mills.</i>
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	453,440			
Number of passengers carried one mile.....	18,550,105			
Number of passengers carried one mile per mile of road.....	30,185			
Average distance carried.....	40.9			
Total passenger revenue.....		454,114	63	
Average amount received from each passenger.....		1		149
Average receipts per passenger per mile.....			02	448
Total passenger earnings.....		642,298	03	
Passenger earnings per mile of road.....		1,045	15	
Passenger earnings per train mile.....			88	645
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	1,044,853			
Number of tons carried one mile.....	83,970,298			
Number of tons carried one mile per mile of road.....	136,637			
Average distance haul of one ton.....	80.3			
Total freight revenue.....		1,494,267	70	
Average amount received for each ton of freight.....		1	43	0 2
Average receipts per ton per mile.....			01	779
Total freight earnings.....		1,494,267	70	
Freight earnings per mile of road.....		2,431	48	
Freight earnings per train mile.....		2	10	970
Passenger and freight revenue.....		1,948,382	33	
Passenger and freight revenue per mile of road.....		3,170	42	
Passenger and freight earnings.....		2,136,565	78	
Passenger and freight earnings per mile of road.....		3,476	83	
Gross earnings from operation.....		2,00,043	83	
Gross earnings from operation per mile of road.....		3,579	92	
Gross earnings from operation per train mile.....		1	53	543
Operating expenses.....		1,240,450	11	
Operating expenses per mile of road.....		2,018	47	
Operating expenses per train mile.....			86	552
Income from operation.....		959,593	72	
Income from operation per mile of road.....		1,561	45	

Cheraw and Darlington Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each road named.
	From	To	
Cheraw and Darlington	Florence	Wadesboro	64.52
Branches—			
Hartsville	Floyd	Hartsville	10.00
Gibson	Darlington	Gibson	36.64
Spurs to mills and factories			1.88
Total			113.04

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	1888	1938	\$100,000.00	\$366,000.00	\$366,000.00	\$366,000.00
First mortgage—Division A. C. & N. R. R.	1895	1915	250,000.00	250,000.00	250,000.00	250,000.00
Grand total			650,000.00	616,000.00	616,000.00	616,000.00

Class of Bond or Obligation.	INTEREST.			
	Rate per Cent.	When Payable.	Amount Accrued During Year	Amount Paid During Year.
First mortgage	5	Apr. & Oct.	\$18,300.00	\$18,300.00
First mortgage—Division A. C. & N. R. R.	5	Nov. & Sept.	12,500.00	12,500.00
Grand total			30,800.00	30,800.00

CAPITAL STOCK.

Number of shares authorized—Common	8,000
Par value of shares	\$50.00
Total par value authorized	400,000.00
Total amount issued and outstanding	400,000.00
Dividends declared during year	12,000.00
Rate of interest, 3 per cent.	

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$616,000.00
Amount outstanding	616,000.00
Interest—amount accrued during year	30,800.00
Amount paid during year	30,800.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.		
Cash		\$2,339.64
Due from agents		2,657.55
Due from solvent companies and individuals { \$93,943.91 }	{ 20,522.45 }	73,421.46
Total		78,418.65
LIABILITIES.		
Wages and salaries		\$2,381.80
Dividends not called for		1,517.00
Matured interest coupons unpaid (including coupons due July 1)		8,975.00
Miscellaneous		9,990.00
Total—current liabilities		22,863.80
Balance—cash assets		55,554.85
Total		78,418.65

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount
Capital stock	\$400,000.00		113.01	\$3,538.00
Bonds	616,000.00		113.01	5,450.00
Total	1,016,000.00	\$1,016,000.00	113.01	8,988.00

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$148,650.82	
Less operating expenses	91,352.40	
Income from operation		\$57,298.42
Miscellaneous income—less expenses	1,969.05	
Income from other sources		1,969.05
Total income		59,267.47
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	30,800.00	
Taxes	4,515.98	
Total deductions from income		35,315.98
Net income		23,951.49
Dividends, three per cent, common stock	12,000.00	
Total		12,000.00
Surplus from operations of year ending June 30, 1898		11,951.49
Surplus on June 30, 1897 [from "General Balance Sheet," 1897 Report].		145,662.24
Deductions for year		6,000.00
Surplus on June 30, 1898, [for entry on "General Balance Sheet,"]		151,613.73

EARNINGS FROM OPERATION—Entire Line.

Item.	Total Receipts	Deductions, Account of Repayments, Etc.	Actual Earnings
PASSENGER:			
Total passenger revenue			\$22,840.95
Mail			7,055.55
Express			1,028.42
Extra baggage and storage			433.58
Total passenger earnings			31,358.50
Total freight earnings			115,830.15
FREIGHT:			
Total passenger and freight earnings			147,188.65
OTHER EARNINGS FROM OPERATION:			
Telegraph companies			678.31
Other sources			783.86
Total other earnings			1,462.17
Total gross earnings from operation—Entire Line			148,650.82

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.**GRAND TOTAL COST CONSTRUCTION, EQUIPMENT, ETC:**

Total cost to June 30, 1897-----	\$1,112,058.88
Total cost to June 30, 1898-----	1,112,058.88
Cost per mile-----	9,837.75

MISCELLANEOUS INCOME.

Interest on balances, rents, etc -----	\$1,969.05
--	------------

OPERATING EXPENSES.**OPERATING EXPENSES:**

Maintenance of ways and structures-----	\$31,976.90
Maintenance of equipment-----	5,718.35
Conducting transportation-----	46,658.25
General expenses-----	6,998.90
Grand total-----	91,352.40
Percentage of expenses to earnings—Entire Line-----	61.5

EMPLOYEES AND SALARIES.

Class.	Number.	Total Number of Days Worked.	Total Yearly Compensa- tion.	Average Daily Compensa- tion.
General administration-----	92	33,580	\$4,382.32	\$0.13
Maintenance of way and structures-----	60	19,303	14,511.32	.75
Conducting transportation-----	62	19,804	25,175.36	1.27
Total (including "General Officers")-----	214	72,687	44,069.00	.60

PASSENGER AND FREIGHT, AND TRAIN MILEAGE—Entire Line.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	45,861			
Number of passengers carried one mile.....	883,337			
Number of passengers carried one mile per mile of road.....	7,814			
Average distance carried.....	195			
Total passenger revenue.....		22,840	95	
Average amount received from each passenger.....			49	801
Average receipts per passenger per mile.....			02	586
Total passenger earnings.....		31,358	50	
Passenger earnings per mile of road.....		277	41	
Passenger earnings per train mile.....			48	128
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	85,542			
Number of tons carried one mile.....	2,342,291			
Number of tons carried one mile per mile of road.....	20,721			
Average distance haul of one ton.....	2,738			
Total freight revenue.....		115,830	15	
Average amount received for each ton of freight.....		1	35	401
Average receipts per ton per mile.....			04	945
Total freight earnings.....		115,830	15	
Freight earnings per mile of road.....		1,024	68	
Freight earnings per train mile.....		1	90	752
PASSENGER AND FREIGHT—				
Passenger and freight revenue.....		138,671	10	
Passenger and freight revenue per mile of road.....		1,226	74	
Passenger and freight earnings.....		147,188	65	
Passenger and freight earnings per mile of road.....		1,302	09	
Gross earnings from operation.....		148,650	82	
Gross earnings from operation per mile of road.....		1,315	03	
Gross earnings from operation per train mile.....		1	18	090
Operating expenses.....		91,352	40	
Operating expenses per mile of road.....		808	14	
Operating expenses per train mile.....			72	571
Income from operation.....		57,298	42	
Income from operation per mile of road.....		506	89	

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$1,112,058.88	{ Cost of road ----- Cost of equipment ----- }	\$1,112,058.88	-----	-----
73,048.16	Cash and current assets -----	78,418.65	\$5,370.49	-----
1,185,107.04	Grand total -----	1,190,477.53	5,370.49	-----
	LIABILITIES.			
400,000.00	Capital stock -----	\$400,000.00	-----	-----
616,000.00	Funded debt -----	616,000.00	-----	-----
23,444.80	Current liabilities -----	22,862.80	-----	\$581.00
145,662.24	Profit and loss -----	151,613.73	\$5,951.49	-----
1,185,107.04	Grand total -----	1,190,477.53	5,370.49	581.00

The Norfolk and Carolina Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for Each Class of Roads Named.
	From—	To—		
A. Main Line -----	Pinners Pt., Va ---	Tarboro, N. C ----	100.49	100.49
B. Pig Point Branch-----	Bruce, Va -----	Pig Pt. and Belle ville, Va.	6.53	
Bennetts Pasture Branch -----	Driver -----	Bennetts Pasture Va.	1.55	
To S. and R. R. -----	Armistead, Va ---	S. and R. R., Va ---	1.13	
Spurs to Mills and Factories ---	Factories -----	-----	1.63	10.84
Total-----	-----	-----	-----	111.33

FUNDED DEBT.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage -----	Ap. 1. 1889.	Ap. 1. 1939.	\$1,500,000.00	\$1,320,000.00	\$1,320,000.00	-----
Second mortgage-----	Jan. 1. 1896.	Jan. 1. 1946.	500,000.00	400,000.00	400,000.00	\$360,000.00
Total :						
Mortgage bonds -----	-----	-----	2,000,000.00	1,720,000.00	1,720,000.00	360,000.00

Class of Bond or Obligation.	INTEREST.			
	Rate	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First mortgage-----	5 per ct.	Apr. and Oct.	\$66,000.00	\$66,000.00
Second mortgage -----	5 per ct.	Jan. and July	20,000.00	20,000.00
Total :				
Mortgage bonds -----	-----	-----	86,000.00	86,000.00

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$1,720,000.00
Amount outstanding	1,720,000.00
Interest—amount accrued during year	86,000.00
Amount paid during year	86,000.00

CAPITAL STOCK.

Description.	Number of Shares Author- ized.	Par Value of Shares.	Total Par Value Author- ized.	Total Amount Issued and Outstand- ing.	DIVIDENDS DE- CLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common	25,000	\$100.00	\$2,500,000.00	\$2,500,000.00	6 per ct.	\$120,000.00

Manner of Payment for Capital Stock.	Number of Shares Issued During Year.	Cash Real- ized on Amount ssued Dur- ing Year.	Total Num- ber Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common			550	\$55,000.00
Issued for construction—Common	1,000		24,450	
Total	1,000		25,000	

CURRENT ASSETS AND LIABILITIES.

ASSETS.	
Cash	\$12,339.39
Bills receivable	3,000.00
Due from agents	10,576.63
Due from solvent companies and individuals	167,411.81
Net traffic balances due from other companies	19,198.53
Cash deposited to pay coupons	23,675.00
Total—Cash and current assets	236,201.36

LIABILITIES.	
Audited vouchers and accounts	\$64,545.31
Wages and salaries	17,621.16
Matured interest coupons unpaid (including coupons due July 1)	23,675.00
Total—Current liabilities	105,841.47
Balance—Cash assets	130,359.89
Total	236,201.36

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock-----	\$2,500,000.00	-----	111.33	\$22,455.00
Bonds-----	1,720,000.00	-----	111.33	15,450.00
Total-----	4,220,000.00	\$4,220,000.00	111.33	37,905.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

			Amount.
Charged to construction or equipment—expenditures during year-----			\$1,003,060.16
Total cost to June 30, 1897-----			2,742,030.44
Total cost to June 30, 1898-----			3,745,090.60
Cost per mile-----			\$3,639.55

Item.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Total equipment-----	\$527,146.81	\$527,146.81	\$4,734.99
Total construction-----	2,742,030.44	3,745,090.60	33,639.55
Grand total cost construction, equipment, etc.-----	3,269,177.25	4,272,237.41	38,374.54

STOCKS OWNED.

Name.	Total Par Value.	Valuation.
Norfolk and Portsmouth Belt Line Railway Company-----	\$6,200.00	\$6,200.00

RENTALS RECEIVED.

	Total.
Tracks—Pinnars Point, Va., to Tarboro, N.C., Southern Railway Company-----	\$35,337.37
Terminals—Pinnars Point, Va., Southern Railway Company-----	12,000.00
Grand total rents received-----	47,337.37

MISCELLANEOUS INCOME.

Net miscellaneous income—Interest, rents, etc., \$10,754.11.

EARNINGS FROM OPERATION.—Entire Line.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$76,290.07		
Total deductions		\$265.73	
Total passenger revenue			\$76,024.34
Mail			9,801.04
Express			3,382.08
Extra baggage and storage			649.49
Other items			99.96
Total passenger earnings			89,956.91
FREIGHT—			
Freight revenue	493,600.89		
Total deductions		4,444.89	
Total freight revenue			489,156.00
Other items			4,721.99
Total freight earnings			493,877.99
Total passenger and freight earnings			583,834.90
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance			2,066.00
Telegraph companies			265.45
Rents from tracks, yards and terminals			47,337.37
Other sources			53,352.28
Total other earnings			103,021.10
Total gross earnings from operation—Entire Line.			686,856.00

OPERATING EXPENSES.

RECAPITULATION OF OPERATING EXPENSES:	Amount.
Maintenance of ways and structures	\$126,646.25
Maintenance of equipment	49,927.26
Conducting transportation	196,904.07
General expenses	25,157.82
Grand total	398,635.40
Percentage of expenses to earnings—Entire Line	.58

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$686,856.00	
Less operating expenses	398,635.40	
Income from operation		\$288,220.60
Miscellaneous income—less expenses		10,754.11
Total income		298,974.71
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	86,000.00	
Taxes	15,317.85	
Total deductions from income		101,317.85
Net income		197,656.86
Dividends, 6 per cent, common stock		120,000.00
Surplus from operations of year ending June 30, 1898		77,656.86
Surplus on June 30, 1897, (from "General Balance Sheet," 1897 Report)		111,140.44
Surplus on June 30, 1898, (for entry on "General Balance Sheet")		188,797.30

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		JUNE 30, 1898.	YEAR ENDING JUNE 30, 1898.	
Total.	Assets.	Total.	Increase.	Decrease.
\$2,742,030.44	Cost of road	\$3,745,090.60	\$1,003,060.16	
527,146.81	Cost of equipment	527,146.81		
-----	Stock owned	6,200.00	6,200.00	
134,661.88	Cash and current assets	236,201.36	101,539.48	
3,403,839.13	Grand total	4,514,638.77	1,110,799.64	
	Liabilities.			
\$1,500,000.00	Capital stock	\$2,500,000.00	\$1,000,000.00	
1,720,000.00	Funded debt	1,720,000.00		
72,698.69	Current liabilities	105,841.47	33,142.78	
111,140.44	Profit and loss	188,797.30	77,656.86	
3,403,839.13	Grand total	4,514,638.77	1,110,799.64	

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC -				
Number of passengers carried earning revenue	83,344			
Number of passengers carried one mile	2,938,942			
Number of passengers carried one mile per mile of road	26,398			
Average distance carried	35.26			
Total passenger revenue		76,024	34	
Average amount received from each passenger			91	218
Average receipts per passenger per mile			02	587
Total passenger earnings		89,956	91	
Passenger earnings per mile of road		808	02	
Passenger earnings per train mile			64	645
FREIGHT TRAFFIC -				
Number of tons carried of freight earning revenue	592,469			
Number of tons carried one mile	43,069,845			
Number of tons carried one mile per mile of road	386,866			
Average distance haul of one ton	72.70			
Total freight revenue		489,156		
Average amount received for each ton of freight			82	562
Average receipts per ton per mile			01	136
Total freight earnings		493,877	99	
Freight earnings per mile of road		4,436	16	
Freight earnings per train mile		2	02	850
PASSENGER AND FREIGHT -				
Passenger and freight revenue		565,180	34	
Passenger and freight revenue per mile of road		5,076	62	
Passenger and freight earnings		583,834	90	
Passenger and freight earnings per mile of road		5,244	18	
Gross earnings from operation		686,856		
Gross earnings from operation per mile of road		6,169	55	
Gross earnings from operation per train mile		1	79	516
Operating expenses		398,635	40	
Operating expenses per mile of road		3,580	66	
Operating expenses per train mile		1	04	187
Income from operation		288,220	60	
Income from operation per mile of road		2,588	89	

Petersburg Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each Road Named.
	From—	To—	
Petersburg Railroad Company	Petersburg	Garysburg, N. C.	58.77
	Dunlap	Acree, Va	5.75
Seaboard and Roanoke	Garysburg, N. C.	Weldon, N. C.	2.86

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Au- thorized.	Total Amount Is- sued and Outstand- ing.	DIVIDENDS DE- CLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common ..	10,000	\$100.00	\$1,000,000.00	\$960,800.00	7 per ct.	\$67,256.00
Preferred ..	3,235	100.00	323,500.00	323,500.00	7 per ct.	22,645.00
Total	13,235	-----	1,323,500.00	1,284,300.00	-----	89,901.00

Manner of Payment for Capital Stock.		Total Num- ber Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common		9,608	\$960,800.00
Preferred		3,235	323,500.00
Total		12,843	1,284,300.00

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$2,168,000.00
Amount outstanding	1,668,000.00
Interest—amount accrued during year	92,480.00
Amount paid during year	92,480.00

FUNDED DEBT.**MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.**

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued
	Date of Issue.	When Due.				
Coupon and registered -----	1861	1898	-----	\$500,000.00	-----	-----
Class "A" -----	1881	1926	\$1,000,000.00	868,000.00	\$868,000.00	\$868,000.00
Class "B" -----	1881	1926	1,000,000.00	800,000.00	800,000.00	800,000.00
Total—						
Mortgage bonds -----			2,000,000.00	2,168,000.00	1,668,000.00	1,668,000.00

Class of Bond or Obligation.	INTEREST			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
Coupon and registered -----	8	Jan. & July.	\$1,080.00	\$1,080.00
Class "A" -----	5	Jan. & July.	43,400.00	43,400.00
Class "B" -----	6	Aug. & Oct.	48,000.00	48,000.00
Total—Mortgage bonds -----			92,480.00	92,480.00

*** CURRENT ASSETS AND LIABILITIES.**

ASSETS.	
Cash -----	\$238,324.73
Due from agents -----	2,892.47
Total—Cash and current assets -----	241,217.20
Total -----	241,217.20
LIABILITIES.	
Audited vouchers and accounts -----	\$35,902.71
Wages and salaries -----	9,413.97
Net traffic balances due to other companies -----	19,836.12
Dividends not called for -----	46,787.50
Matured interest coupons unpaid (including coupons due July 1) -----	25,295.00
Miscellaneous -----	19,401.53
Total—Current liabilities -----	156,636.83
Balance—Cash assets -----	84,530.37
Total -----	241,217.20

RECAPITULATION.

A. FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$1,284,300.00	\$1,284,300.00	64.52	\$19,905.455
Bonds	1,668,000.00	1,668,000.00	64.52	25,852.451
Total	2,952,300.00	2,952,300.00	-----	45,757.906

B. FOR MILEAGE OPERATED.

Name of Road	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
Petersburg Railroad Co.--	\$1,284,300.00	\$1,668,000.00	\$2,952,300.00	64.52	\$45,757.906

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment.
Right of way and station grounds, not included in operating expenses during year.	\$1,197.49
Real estate, not included in operating expenses during year	925.00
Total construction	2,122.49
Total cost to June 30, 1897	\$3,109,381.66
Total cost to June 30, 1898	3,111,504.15
Cost per mile	48,225.41

Item.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Grand total cost construction, equipment, etc...	\$3,109,381.66	\$3,111,504.15	\$48,225.41

STOCKS OWNED.

	Amount.
A. C. L. Sleeping Car Association—total par value	\$15,810.38
Income or dividend received	4,238.73

INCOME ACCOUNT.—Entire Line.

Gross earnings from operation.....	\$596,172.26	-----
Less operating expenses	293,104.75	-----
Income from operation.....		301,067.51
Dividends on stocks owned	4,238.73	-----
Interest on bonds owned	875.00	-----
Miscellaneous income—less expenses	8,054.92	-----
Income from other sources.....		13,168.65
Total income		314,236.16
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	92,480.00	-----
Taxes.....	17,688.06	-----
Other deductions	427.30	-----
Total deductions from income.....		110,595.36
Net income		203,640.80
Dividends, ---- per cent common stock	67,256.00	-----
Dividends, ---- per cent preferred stock	22,645.00	-----
Total		89,901.00
Surplus from operations of year ending June 30, 1898.....		113,739.80
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report].		425,670.71
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		539,410.51

RENTALS PAID.

RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
Tracks and bridge.....	Garys to Weldon.....	S & R. R. R.....	-----	\$5,632.08
Terminals.....	{ Weldon, N. C.....	W. & W. R. R.....	\$1,546.85	-----
	{ Richmond, Va.....	R. & P.....	5,029.94	-----
Total			-----	6,576.79
Grand total rents..			-----	12,208.87

BONDS OWNED.

Name.	Total Par Value.	Rate.	Income or Interest Received.	Valuation.
Texas and Pacific Railroad.....	\$25,000.00	5 per ct.	\$625.00	\$24,493.88
Northern Pacific Railroad.....	25,000.00	4 per ct.	250.00	23,453.25
Total.....	50,000.00		875.00	47,947.13

EARNINGS FROM OPERATION—Entire Line.

Item.	Total Receipts	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$117,280.34		
Total deductions		\$1,728.55	
Total passenger revenue			\$115,551.79
Mail			32,287.44
Express			30,588.75
Extra baggage and storage			1,085.74
Total passenger earnings			179,513.72
FREIGHT—			
Freight revenue	436,443.35		
Total deductions		20,583.33	
Total freight revenue			415,860.02
Total freight earnings			415,860.02
Total passenger and freight earnings			595,373.74
OTHER EARNINGS FROM OPERATION—			
Telegraph companies	446.46		
Other sources	352.06		
Total other earnings			798.52
Total gross earnings from operation—Entire Line.			596,172.26

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$41,931.80
Maintenance of equipment	62,881.06
Conducting transportation	173,331.51
General expenses	16,960.38
Grand total	295,104.75
Percentage of expenses to earnings—Entire Line	49.5

MISCELLANEOUS INCOME.

Interest, etc.—Net Miscellaneous Income	\$8,051.92
---	------------

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue	85,494	-----	-----	-----
Number of passengers carried one mile	4,522,531	-----	-----	-----
Number of passengers carried one mile per mile of road (61)	74,139	-----	-----	-----
Average distance carried	52.89	-----	-----	-----
Total passenger revenue	-----	115,551	79	-----
Average amount received from each passenger	-----	1	35	040
Average receipts per passenger per mile	-----	-----	2	555
Total passenger earnings	-----	179,513	72	-----
Passenger earnings per mile of road (61)	-----	2,942	84	786
Passenger earnings per train mile	-----	1	17	792
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue	590,620	-----	-----	-----
Number of tons carried one mile	34,235,152	-----	-----	-----
Number of tons carried one mile per mile of road	561,230	-----	-----	-----
Average distance haul of one ton	57.96	-----	-----	-----
Total freight revenue	-----	415,860	02	-----
Average amount received for each ton of freight	-----	-----	70	409
Average receipts per ton per mile	-----	-----	1	214
Total freight earnings	-----	415,860	02	-----
Freight earnings per mile of road	-----	6,813	77	377
Freight earnings per train mile	-----	2	31	934
PASSENGER AND FREIGHT—				
Passenger and freight revenue	-----	531,411	81	-----
Passenger and freight revenue per mile of road	-----	8,711	66	901
Passenger and freight earnings	-----	595,373	74	-----
Passenger and freight earnings per mile of road	-----	9,760	22	523
Gross earnings from operation	-----	596,172	26	-----
Gross earnings from operation per mile of road	-----	9,904	46	328
Gross earnings from operation per train mile	-----	1	79	792
Operating expenses	-----	295,104	75	-----
Operating expenses per mile of road	-----	4,837	78	278
Operating expenses per train mile	-----	-----	88	937
Income from operation	-----	301,067	51	-----
Income from operation per mile of road	-----	4,935	52	459

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897, Total.	ASSETS.	YEAR ENDING JUNE 30, 1898.			
		Item.	Total.	Increase.	Decrease.
\$3,109,381.66	{ Cost of road ----- Cost of equipment ----- }	-----	\$3,111,504.15	\$2,122.49	-----
22,446.00	Stocks owned -----	-----	15,810.38	-----	\$6,635.62
-----	Bonds owned -----	-----	47,947.13	47,947.13	-----
231,868.48	Other permanent invest- ments.	-----	231,868.48	-----	-----
183,679.55	Cash and current assets -----	-----	241,217.20	-----	-----
3,547,375.69	Grand total -----	-----	3,648,347.34	-----	-----
LIABILITIES.					
\$1,281,300.00	Capital stock -----	\$1,284,300.00	-----	-----	-----
1,694,000.00	Funded debt -----	1,668,000.00	-----	-----	\$26,000.00
143,401.98	Current liabilities -----	156,636.83	\$13,231.85	-----	-----
425,670.71	Profit and loss -----	539,410.51	-----	-----	-----
3,547,375.69	Grand total -----	3,648,347.34	-----	-----	-----

Wilmington, Columbia and Augusta Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for Each Road Named.
	From—	To—	
Wilmington, Columbia and Augusta Railroad -----	Wilmington---	Columbia -----	191.70
Wilmington and Conway Branch -----	Hub -----	Conway -----	50.00
Spurs to Mills -----	-----	-----	5.06
Total -----	-----	-----	246.76

CAPITAL STOCK.

Number of shares authorized—Common	9,600
Par value of shares	\$100.00
Total par value authorized	960,000.00
Total amount issued and outstanding	960,000.00
Dividends declared during year	57,600.00

Rate of interest, 6 per cent.

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	1879	1910	-----	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00
First mortgage W. and C. bonds.	1896	1946	-----	200,000.00	200,000.00	-----
Total			-----	1,800,000.00	1,800,000.00	1,600,000.00
Miscellaneous obligations			-----	136,360.00	136,360.00	-----
Grand total			-----	1,936,360.00	1,936,360.00	1,600,000.00

INTEREST.

Class of Bond or Obligation.	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First mortgage	6	Jan. and July	\$96,000.00	\$96,000.00
First mortgage	4	Jan. and July	8,000.00	8,000.00
Total			104,000.00	104,000.00
Miscellaneous Obligations	6		8,181.60	8,181.60
Grand total			112,181.60	112,181.60

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds	\$1,800,000.00	\$1,800,000.00	\$104,000.00	\$104,000.00
Miscellaneous obligations	136,360.00	136,360.00	8,181.60	8,181.60
Total	1,936,360.00	1,936,360.00	112,181.60	112,181.60

EARNINGS FROM OPERATION.—Entire Line.

Item.	Total Rece pts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Total passenger revenue.....			\$126,958.40
Mail.....			32,205.87
Express.....			10,792.40
Total passenger earnings.....			172,329.22
FREIGHT—			
Total freight earnings.....			588,462.22
Total passenger and freight earnings.....			760,791.44
OTHER EARNINGS FROM OPERATION—			
Telegraph companies.....			2,023.36
Other sources.....			8,269.58
Total other earnings.....			10,292.94
Total gross earnings from operation—Entire Line.			771,084.38

MISCELLANEOUS INCOME.

Item.	Net Miscel- laneous Income.
Lease Central Railroad.....	\$2,509.41
Rent of iron rails.....	8,659.87
Current interest, etc.....	3,156.50
Total.....	14,325.78

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures.....	\$163,501.51
Maintenance of equipment.....	109,204.58
Conducting transportation.....	272,427.32
General expenses.....	20,635.12
Grand total.....	565,768.48
Percentage of expenses to earnings—Entire Line.....	73.4

CURRENT ASSETS AND LIABILITIES.

ASSETS.		
Due from agents		\$11,377.71
Due from solvent companies and individuals --- { \$305,104.45 }	{ 191,493.42 }	113,611.03
Other cash assets		25,410.00
Total—cash and current assets		150,398.74
Total		150,398.74
LIABILITIES.		
Audited vouchers and accounts		\$2,167.85
Wages and salaries		23,346.42
Dividends not called for		1,617.00
Matured interest coupons unpaid		25,410.00
Miscellaneous		77,090.43
Total current liabilities		129,631.70
Balance cash assets		20,767.04
Total		150,398.74

INCOME ACCOUNT—Entire Line.

Gross earnings from operations	\$771,084.38	
Less operating expenses	565,768.48	
Income from operations		\$205,315.90
Dividends on stocks owned	20,166.92	
Interest on bonds owned	540.00	
Miscellaneous income—less expenses	14,325.73	
Income from other sources		35,032.70
Total income		240,348.60
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	112,181.60	
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	12,560.00	
Taxes	27,152.72	
Total deductions from income		151,894.32
Net income		88,454.28
Dividends, .. per cent, Common stock	57,600.00	
Total		57,600.00
Surplus from operations of year ending June 30, 1898		30,854.28
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report]		118,332.34
Additions for year		6,710.73
Deductions for year		38,493.91
Surplus on June 30, 1898 [for entry on "General Balance Sheet"]		117,403.44

COST OF ROAD, EQUIPMENT AND PERMANENT IMPROVEMENTS.

Expenditures during year not included in operating expenses charged to construction or equipment	\$9,765.65
Total cost to June 30, 1897	2,902,761.47
Total cost to June 30, 1897	2,912,527.12
Cost per mile	11,803.07

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE.	
			Miles.	Amount.
Capital Stock	\$960,000.00	.....	246.76	\$3,890.00
Bonds	1,936,360.00	.....	246.76	7,847.00
Total	2,896,360.00	.....	246.76	11,737.00

STOCKS OWNED.

Name.	Total Par Value.	Income or Dividend Received.	Valuation.
O., N. & L. R. R.	\$5,001.00	.....	\$5,001.00
Wilmington Railway Bridge	10,000.00	\$5,989.18	10,000.00
Total	15,001.00	5,989.18	15,001.00

B. OTHER STOCKS.

Name.	Total Par Value.	Income or Dividend Received.	Valuation
A. C. L. Sleeping Car Trust	\$52,882.06	\$14,177.74	\$52,882.06
Total	52,882.06	14,177.74	52,882.06
Grand total—A and B	67,883.06	67,883.06	67,883.06

BONDS OWNED.

Name.	Total Par Value.	Income or Interest Received.	Valuation.
State of South Carolina	\$8,000.00	\$540.00	\$8,000.00

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	COLUMNS FOR REVE- NUE AND RATES.		
		Dollars.	Cts.	Mills.
PASSENGER TRAFFIC:				
Number of passengers carried earning revenue -----	208, 147	-----	-----	-----
Number passengers carried one mile -----	6, 030, 565	-----	-----	-----
Number passengers carried one mile per mile of road -----	24, 439	-----	-----	-----
Average distance carried -----	29	-----	-----	-----
Total passenger revenue -----		\$126, 958	40	-----
Average amount received from each passenger -----			60	994
Average receipts per passenger per mile -----			02	105
Total passenger earnings -----		172, 329	22	-----
Passenger earnings per mile of road -----		698	36	-----
Passenger earnings per train mile -----			70	567
FREIGHT TRAFFIC:				
Number of tons carried of freight earning revenue -----	598, 095	-----	-----	-----
Number of tons carried one mile -----	33, 469, 537	-----	-----	-----
Number of tons carried one mile per mile of road -----	135, 636	-----	-----	-----
Average distance haul of one ton -----	56	-----	-----	-----
Total freight revenue -----		588, 462	22	-----
Average amount received for each ton of freight -----			98	390
Average receipts per ton per mile -----			01	758
Total freight earnings -----		588, 462	22	-----
Freight earnings per mile of road -----		2, 384	76	-----
Freight earnings per train mile -----		2	19	848
PASSENGER AND FREIGHT:				
Passenger and freight revenue -----		715, 420	62	-----
Passenger and freight revenue per mile of road -----		2, 899	26	-----
Passenger and freight earnings -----		760, 791	44	-----
Passenger and freight earnings per mile of road -----		3, 083	12	-----
Gross earnings from operation -----		771, 084	38	-----
Gross earnings from operation per mile of road -----		3, 124	84	-----
Gross earnings from operation per train mile -----		1	50	625
Operating expenses -----		565, 768	48	-----
Operating expenses per mile of road -----		2, 292	79	-----
Operating expenses per train mile -----		1	10	519
Income from operation -----		205, 315	90	-----
Income from operation per mile of road -----		832	05	-----

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
\$2,902,761.47	Cost of road	\$2,912,527.12	\$9,765.65	-----
90,079.00	Stocks owned	67,883.06	-----	\$22,195.94
8,000.00	Bonds owned	8,000.00	-----	-----
4,586.22	Other permanent investments	4,586.22	-----	-----
9,265.65	Lands owned	-----	-----	9,265.65
102,533.16	Cash and current assets	150,398.74	47,865.58	-----
3,117,225.50	Grand total	3,143,395.14	26,169.64	-----
LIABILITIES.				
\$960,000.00	Capital stock	\$960,000.00	-----	-----
1,936,360.00	Funded debt	1,936,360.00	-----	-----
102,533.16	Current liabilities	129,631.70	\$27,098.54	-----
118,332.34	Profit and loss	117,403.44	-----	\$928.90
3,117,225.50	Grand total	3,143,395.14	26,169.64	-----

SEABOARD AIR LINE SYSTEM.

LINES CONTROLLED AND OPERATED IN NORTH CAROLINA.

Name.	Miles.
Carolina Central Railroad.....	271.03
Durham and Northern Railway.....	41.40
Georgia, Carolina and Northern Railway	14.30
Louisburg Railroad.....	10.00
Pittsboro Railroad.....	11.20
Raleigh and Augusta Air Line Railroad.....	108.73
Raleigh and Gaston Railroad.....	97.00
Roanoke and Tar River Railroad.....	32.30
Seaboard and Roanoke Railroad.....	18.40
Palmetto Railroad.....	18.20
Wilmington Railway Bridge Company.....	2.40
Total length of all lines, Seaboard Air Line System, in North Carolina.....	602.36

RALEIGH AND GASTON RAILROAD COMPANY.

Name.	TERMINALS.		Miles of Line for each Road named.	Miles of Line for each Class of Roads named.
	From—	To—		
Raleigh and Gaston R. R. Co.	Raleigh, N. C.	Weldon, N. C.	97.00	.....
Louisburg Railroad.....	Franklinton, N. C.	Louisburg, N. C.	10.00	.....
Roanoke Rapids Branch	Roanoke Junct'n.	Roanoke Rapids.....	2.54	.....
Total.....			109.54	.....

CAPITAL STOCK.

Capital Stock—Common—Number of shares authorized.....	15,000
Par value of shares.....	\$100.00
Total par value authorized.....	1,500,000.00
Total amount issued and outstanding.....	1,500,000.00
Total number of shares issued and outstanding for reorganization—Common	15,000
Total cash realized.....	\$1,500,000.00

FUNDED DEBT.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	1897.	1947.	\$1,500,000.00	\$1,200,000.00	\$1,200,000.00	\$1,150,980.00

Class of Bond or Obligation.	INTEREST.			
	Rate	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First mortgage.....	5 per ct.	Jan. and July	\$75,000.00	\$75,000.00

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued.....	\$1,200,000.00
Amount outstanding	1,200,000.00
Interest—amount accrued during year	75,000.00
Amount paid during year.....	75,000.00

CURRENT ASSETS AND LIABILITIES.

Assets.	
Cash	\$21,544.55
Bills receivable.....	122,023.43
Due from solvent companies and individuals.....	358,131.40
Net traffic balances due from other companies	28,009.99
Total—cash and current assets.....	529,709.37
Liabilities.	
Loans and bills payable.....	\$170,508.07
Audited vouchers and accounts	246,774.47
Wages and salaries	40,436.43
Total—current liabilities.....	457,718.97
Balance—cash assets.....	71,990.40
Total	529,709.37

Materials and supplies on hand, \$163,929.17.

EQUIPMENT TRUST OBLIGATIONS. A. GENERAL STATEMENT.

Series or Other Designation.	Date of Issue.	Term.	Equipment Covered.
S. A. L. equipment—Series A	Jan. 1, 1890	10 years	11 locomotives, 1 superintendent's car, 3 M., B. & E., 15 caboose, 4 second-class passenger cars, 4 first-class passenger cars, 200 box.
S. A. L. equipment—Series B	Jan. 1, 1891	10 years	4 shifting locomotives, 4 freight locomotives, 4 passenger locomotives, 3 postal cars, 5 first-class passenger cars, 200 box, 25 coal.
S. A. L. car trust, "B"	April 1, 1895	10 years	12 passenger and freight locomotives.
S. A. L. car trust, "C"	April 1, 1896	10 years	12 locomotives, 175 box, 100 flats.
S. A. L. car trust, "D"	Nov. 1, 1897	20 years	5 freight locomotives, 2 switch locomotives, 350 box, 150 flats.

B. STATEMENT OF AMOUNT.

Series or Other Designation.	DEFERRED PAYMENTS—PRINCIPAL.		DEFERRED PAYMENTS—INTEREST.			
	Original Amount.	Amount Outstanding.	Original Amount.	Amount Accrued During Year.	Amount Paid During Year.	Rate
$\frac{1}{2}$ S. A. L. equipment—Series A	\$125,000.00	\$25,000.00	\$6,250.00	\$1,875.00	\$1,875.00	5
$\frac{1}{2}$ S. A. L. equipment—Series B	125,000.00	37,500.00	6,250.00	2,500.00	2,500.00	5
$\frac{1}{2}$ S. A. L. car trust, "B"	36,666.66	25,666.66	1,833.33	1,466.66	1,466.66	5
$\frac{1}{2}$ S. A. L. car trust, "C"	83,333.33	66,666.66	4,166.66	3,750.00	3,750.00	5
$\frac{1}{2}$ S. A. L. car trust, "D"	100,000.00	100,000.00	5,000.00	2,500.00	2,500.00	5
Total	469,999.99	254,833.22	23,499.99	12,091.66	12,091.66	

RECAPITULATION.

FOR MILEAGE OWNED.

Account.	Total Amount Outstanding	Apportionment to Railroads.	Amount per Mile of Line.	
			Miles.	Amount.
Capital stock	\$1,500,000.00	\$1,500,000.00	99.54	\$15,069.00
Bonds	1,200,000.00	1,200,000.00	99.54	12,055.00
Equipment trust obligations.	254,833.32	254,833.32	99.54	2,560.00
Total	2,954,833.32	2,954,833.32	99.54	29,684.00

FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt.	Total.	Amount per Mile of Line.	
				Miles.	Amount.
Raleigh and Gaston Railroad Co.	\$1,500,000.00	\$1,200,000.00	\$2,700,000.00	99.54	\$27,124.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures During Year not Included in Operating Expenses.		Charged to Construction or Equipment.
CONSTRUCTION :		
Engineering		\$618.08
Real estate		4,200.00
Grading		2,474.42
Bridges, trestles and culverts		990.93
Ties		1,987.60
Rails		4,175.52
Track fastenings		777.78
Frogs and switches		293.36
Track laying and surfacing		839.86
Crossings, cattle guards and signs		65.40
Station buildings and fixtures		2,199.18
Water stations		1,310.64
Storage warehouses		724.60
Total construction		20,657.37
Total cost to June 30, 1897		1,591,119.58
Total cost to June 30, 1898		1,611,776.95
Cost per mile		16,192.25
EQUIPMENT—		
Officers car "D"		1,250.00
Total equipment		1,250.00
Total construction		20,657.37
Total construction, equipment, etc., State of North Carolina		21,907.37

Item.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Total equipment	\$93,320.98	\$94,570.98	\$950.07
Total construction	1,591,119.58	1,611,776.95	16,192.25
Grand total cost construction, equipment, etc., State of North Carolina.	1,684,440.56	1,706,347.93	17,142.32

MISCELLANEOUS INCOME.

Gross income—outside rents	\$1,950.00
Interest on accounts	11,718.67
One-half balance from Lessees G. Con	33,231.59
Total	46,900.26

EARNINGS FROM OPERATION.—Entire Line.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue.....	\$120,382.94		
Tickets redeemed.....		\$137.58	
Excess fares refunded.....		518.08	
Other repayments.....		1.47	
Total deductions.....		957.13	
Total passenger revenue.....			\$119,425.81
Mail.....			15,592.38
Express.....			8,687.62
Extra baggage and storage.....			891.77
Other items { News Company.....\$282.48 { Amount Watches.....1.86 }			284.34
Total passenger earnings.....			144,881.92
FREIGHT—			
Freight revenue.....	459,694.16		
Overcharge to shippers.....		8,051.00	
Other repayments.....		27,246.67	
Total freight revenue.....			424,396.49
Total freight earnings.....			424,396.49
Total passenger and freight earnings.....			569,278.41
OTHER EARNINGS FROM OPERATION—			
Hire of equipment—balance.....			13,367.93
Telegraph companies.....			1,129.28
Rents not otherwise provided for.....			5,221.96
Other sources—Accident Insurance.....			2.34
Demurrage.....			50.00
Total other earnings.....			19,771.51
Total gross earnings from operation—North Carolina.....			589,049.92

BONDS OWNED.

Name.	Total Par Value.	Rate.	Income or Interest Received.	Valuation.
Second mortgage—C. C. R. R. Company.....				\$474,541.08
Third mortgage—Shelby Div. C. C. R. R.....	\$100,000.00	4 per cent	4,000.00	76,250.00
Total.....			4,000.00	550,791.08

	Amount.	Total.
OTHER DEDUCTIONS—		
Loss on stores for the year.....	\$259.27	
Loss on fuel for the year.....	195.18	
½ loss on fuel for the year on less G., C. & N.....	191.15	
½ interest paid to S. A. L. Belt Railway for less G., C. & N.....	390.00	
½ amount against Am. Cas. Ins. & Sec. Co., for less G., C. & N.....	946.44	\$1,982.04
DEDUCTIONS FROM GENERAL PROFIT AND LOSS—		
½ amount loss on Hoyle's account, lessees G., C. & N.....		2,371.17
½ loss on stores, less G., C. & N., previous years.....		755.73
Loss on stores, R. & G., previous years.....		2,747.65
Carty & Carpenter's note charged off.....		500.00
Expenses exchange of bonds.....		39,020.00
		45,394.55

INCOME ACCOUNT.

Gross earnings from operation.....	\$589,049.92	
Less operating expenses.....	355,012.28	
Income from operation.....		\$234,037.64
Dividends on stocks owned.....	3,520.00	
Interest on bonds owned.....	4,000.00	
Miscellaneous income—less expenses.....	46,900.26	
Income from other sources.....		54,420.26
Total income.....		288,457.90
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued.....	75,000.00	
Interest on interest-bearing liabilities accrued, not otherwise provided for.....	6,768.00	
Rents paid for lease of road.....	142,406.19	
Taxes.....	15,053.64	
Other deductions.....	1,982.04	
Total deductions from income.....		241,209.87
Net income.....		47,248.03
Surplus from operations of year ending June 30, 1898.....		47,248.03
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report].		1,424,445.71
Total.....		1,471,693.74
Deductions for year.....		45,394.55
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		1,426,299.19

STOCKS OWNED.

Name.	Total Par Value.	Rate per Cent.	Income or Dividend Received.	Valuation.
Raleigh and Gaston Railroad Co.-----	\$182,800.00	-----	-----	\$87,960.50
Raleigh and Augusta Air Line Railroad Co.-----	772,200.00	-----	-----	157,273.50
Seaboard and Roanoke Railroad Co.-----	192,700.00	-----	-----	192,700.00
Louisburg Railroad -----	100.00	-----	-----	45.00
Cincinnati, Nashville and Louisville Railroad..	5,001.00	-----	-----	5,001.00
Georgia, Carolina and Northern Rwy., common	537,900.00	-----	-----	537,900.00
Georgia, Carolina and Northern Rwy., preferred	250,000.00	-----	-----	250,000.00
Richmond, Fredericksburg and Potomac Rwy	8,000.00	-----	\$520.00	9,695.00
Durham and Northern Railway -----	150,000.00	2	3,000.00	150,000.00
Carolina Southern Railway -----	3,000.00	-----	-----	3,000.00
Seaboard Air Line Belt Railway -----	24,980.00	-----	-----	24,980.00
Total-----	2,126,751.00	-----	3,520.00	1,418,625.00

OPERATING EXPENSES.*

OPERATING EXPENSES:	
Maintenance of ways and structures.-----	\$64,764.63
Maintenance of equipment.-----	66,118.24
Conducting transportation.-----	196,884.66
General expenses -----	27,241.75
Grand total -----	355,012.28
Percentage of expenses to earnings—Entire Line -----	60.3

RENTALS PAID.

A. RENTS PAID FOR LEASE OF ROAD.

Name.	Total.
Georgia, Carolina and Northern Railway Company -----	\$142,406.19

B. RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
Terminals -----	Raleigh, N. C -----	North Carolina R. R. Co.	\$154.76	\$454.76

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	136,172			
Number of passengers carried one mile.....	6,214,209			
Number of passengers carried one mile per mile of road.....	56,730			
Average distance carried.....	45.635			
Total passenger revenue.....		119,425	81	
Average amount received from each passenger.....			87	702
Average receipts per passenger per mile.....			1	922
Total passenger earnings.....		144,881	92	
Passenger earnings per mile of road.....		1,322	62	
Passenger earnings per train mile.....			95	524
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	463,762			
Number of tons carried one mile.....	40,199,247			
Number of tons carried one mile per mile of road.....	375,693			
Average distance haul of one ton.....	86.6			
Total freight revenue.....		424,396	49	
Average amount received for each ton of freight.....			91	511
Average receipts per ton per mile.....			01	055
Total freight earnings.....		424,396	49	
Freight earnings per mile of road.....		3,874	35	194
Freight earnings per train mile.....		2	23	289
PASSENGER AND FREIGHT—				
Passenger and freight revenue.....		543,822	30	
Passenger and freight revenue per mile of road.....		4,964	60	
Passenger and freight earnings.....		569,278	41	
Passenger and freight earnings per mile of road.....		5,196	99	
Gross earnings from operation.....		589,049	92	
Gross earnings from operation per mile of road.....		5,377	49	
Gross earnings from operation per train mile.....		1	72	364
Operating expenses.....		355,012	28	
Operating expenses per mile of road.....		3,240	94	
Operating expenses per train mile.....		1	03	882
Income from operation.....		234,037	64	
Income from operation per mile of road.....		2,136	55	

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		JUNE 30, 1898	YEAR ENDING JUNE 30, 1898.	
Item.	ASSETS	Item.		
			Increase.	Decrease.
\$1,591,119.58	Cost of road	\$1,611,776.95	\$20,657.37	-----
93,320.98	Cost of equipment.....	94,570.98	1,250.00	-----
879,025.00	Stocks owned	1,418,625.00	539,600.00	-----
550,791.08	Bonds owned.....	550,791.08	-----	-----
66,165.05	Other permanent investments.	66,165.05	-----	-----
1,146,604.16	Cash and current assets.....	529,709.37	-----	\$616,894.79
	OTHER ASSETS.			
125,154.72	Equipment trusts	148,450.56	23,295.84	-----
71,909.89	Materials and supplies.....	163,929.17	92,019.28	-----
4,524,090.46	Grand total.....	4,584,018.16	676,822.49	616,894.79
	LIABILITIES.			
\$1,500,000.00	Capital stock	\$1,500,000.00	-----	-----
1,200,000.00	Funded debt	1,200,000.00	-----	-----
399,644.75	Current liabilities	457,718.97	\$58,074.22	-----
1,424,445.71	Profit and loss	1,426,269.19	1,853.48	-----
4,524,090.46	Grand total.....	4,584,018.16	59,927.70	-----

EMPLOYEES AND SALARIES.

Class.	Number.	Total No. of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General administration	33	10,329	\$27,292.02	\$2.64
Maintenance of ways and structures.....	154	48,202	33,625.54	.74
Maintenance of equipment	528	165,264	267,676.28	1.62
Conducting transportation.....	402	125,826	171,965.50	1.37
Total (including "General Officers")—North Carolina.	1,117	349,621	502,559.34	1.43

Raleigh and Augusta Air Line Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each Road Named.
	From—	To—	
1 A. Raleigh and Augusta A. L. R. R. Co..	Raleigh, N. C. ---	Hamlet, N. C. ---	96.60
B. Raleigh and Augusta A. L. R. R. Co..	Hamlet, N. C. ---	Gibson, N. C. ---	10.13
4. Pittsboro Railroad Company	Moncure, N. C. ---	Pittsboro, N. C. --	11.12
Palmetto Railway Company	Hamlet, N. C. --	Cheraw, S. C. ---	18.12

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Real- ized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	1886	1926	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00

Class of Bond or Obligation.	INTEREST.			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid Dur- ing Year.
First mortgage	6	Jan. & July--	\$60,000.00	\$60,000.00

EQUIPMENT TRUST OBLIGATIONS. A. GENERAL STATEMENT.

Series or Other Designation.	Date of Issue.	Term	Equipment Covered.
S. A. L. car trust, "A"	Mar. 1, 1893	10 years..	11 locomotives, 4 first class passenger cars, 4 passenger and baggage cars, 4 M. and E. cars, 15 caboose, 35 stock, 25 box.
S. A. L. car trust, "B"	Apr. 1, 1895	10 years..	12 passenger and freight locomotives.
S. A. L. car trust, "C"	Apr. 1, 1896	10 years..	12 locomotives, 175 box, 100 flats.
S. A. L. car trust, "D"	Nov. 1, 1897	20 years..	5 freight locomotives, 2 switch loco- motives, 350 box, 150 flats.

FUNDED DEBT—Continued.**B. STATEMENT OF AMOUNT.**

Series or Other Designation.	DEFERRED PAYMENTS— PRINCIPAL.		DEFERRED PAYMENTS—INTEREST.			
	Original Amount.	Amount Outstand- ing.	Original Amount.	Amount Accrued During Year.	Amount Paid During Year.	Rate
$\frac{1}{2}$ S. A. L. car trust, "A"-----	\$125,000.00	\$62,500.00	\$3,250.00	\$3,750.00	\$3,750.00	5
$\frac{1}{8}$ S. A. L. car trust, "B"-----	36,666.66	25,666.67	1,833.33	1,466.67	1,466.67	5
$\frac{1}{8}$ S. A. L. car trust, "C"-----	83,333.33	66,666.67	4,166.66	3,750.00	3,750.00	5
$\frac{1}{8}$ S. A. L. car trust, "D"-----	100,000.00	100,000.00	5,000.00	2,500.00	2,500.00	5
Total-----	344,999.99	254,833.34	17,249.99	11,466.67	11,466.67	

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued-----	\$1,000,000.00
Amount outstanding-----	1,000,000.00
Interest—amount accrued during year-----	60,000.00
Amount paid during year-----	60,000.00

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Au- thorized.	Total Amount Is- sued and Outstand- ing.	DIVIDENDS DE- CLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Comm on	8,736	\$100.00	\$873,600.00	\$873,600.00	-----	-----
Total-----	8,736	-----	873,600.00	873,600.00	-----	-----

Manner of Payment for Capital Stock.				Total Num- ber Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common -----				8,736	\$873,600.00
Total-----				8,736	873,600.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.	
Cash.....	\$6,489.07
Due from solvent companies and individuals.....	11,898.26
Net traffic balances due from other companies.....	110,114.57
Total—Cash and current assets.....	128,501.90
Balance—Current liabilities.....	347,728.62
Total.....	476,230.52
LIABILITIES.	
Loans and bills payable.....	\$98,236.83
Audited vouchers and accounts.....	369,167.98
Wages and salaries.....	8,825.71
Total—Current liabilities.....	476,230.52

Materials and supplies on hand, \$18,699.41.

INCOME ACCOUNT—Entire Line.

Gross earnings from operation.....	\$434,521.82	
Less operating expenses.....	358,894.71	
Income from operation.....		\$75,627.11
Interest on bonds owned.....	280.00	
Miscellaneous income—less expenses.....	7,408.67	
Income from other sources.....		7,688.67
Total income.....		83,315.78
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued.....	60,000.00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for.....	3,612.34	
Taxes.....	10,724.81	
Other deductions { Loss on fuel..... \$140.47 { Loss on stores..... 121.20 }	261.67	
Total deductions from income.....		74,598.82
Net income.....		8,716.96
Surplus from operations of year ending June 30, 1898.....		8,716.96
Deficit on June 30, 1897 [from "General Balance Sheet," 1897 Report].		99,489.07
Balance.....		90,772.11
Loss on stores previous years.....	1,284.49	
Bills receivable charged off.....	5,830.25	7,114.74
Deficit on June 30, 1898 [for entry on "General Balance Sheet,"]		97,886.85

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Other cars of all classes—Caboose cars—charged to construction or equipment.....	\$2,409.78
Total construction charged to construction or equipment.....	325.00
Total expenditures during year.....	2,734.78

Item.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Total equipment.....	\$48,919.79	\$51,329.57	\$480.93
Total construction.....	1,939,030.73	1,939,355.73	18,170.67
Total cost construction, equipment, etc.—North Carolina.	1,987,950.52	1,990,685.30	18,651.60

RECAPITULATION.**A. FOR MILEAGE OWNED.**

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock.....	\$873,600.00	\$873,600.00	106.73	\$8,185.00
Bonds.....	1,000,000.00	1,000,000.00	106.73	9,369.00
Equipment trust obligations.....	254,833.34	254,833.34	106.73	2,388.00
Total.....	2,128,433.34	2,128,433.34	106.73	19,942.00

B. FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
R. & A. A. L. R. R. Co.-----	\$873,600.00	\$1,000,000.00	\$1,873,600.00	106.73	\$17,554.00

OPERATING EXPENSES.

RECAPITULATION OF OPERATING EXPENSES:	Amount.
Maintenance of way and structures.....	\$79,370.88
Maintenance of equipment.....	13,595.37
Conducting transportation.....	247,584.15
General expenses.....	18,344.21
Total.....	358,894.71
Percentage of expenses to earnings—Entire Line.....	82.6

EARNINGS FROM OPERATION.

Item.	Total Receipts	Deductions, Account of Repayments, Etc.	Actual Earnings.
PASSENGER:			
Passenger revenue.....	\$89,411.45		
Less repayments—			
Tickets redeemed.....		\$118.99	
Excess fares refunded.....		565.90	
Other repayments.....		.75	
Total deductions.....		685.64	
Total passenger revenue.....			\$88,725.81
Mail.....			15,881.24
Express.....			5,616.06
Extra baggage and storage.....			236.34
Other items—News Co., \$168.36; ant. mchs., \$1.85.			170.21
Total passenger earnings.....			110,629.66
FREIGHT:			
Freight revenue.....	340,963.48		
Less repayments—			
Overcharge to shippers.....		6,110.14	
Other repayments.....		12,841.28	
Total deductions.....		18,951.42	
Total freight revenue.....			322,012.06
Total freight earnings.....			322,012.06
Total passenger and freight earnings.....			432,641.72
OTHER EARNINGS FROM OPERATION:			
Telegraph companies.....	1,614.40		
Rents not otherwise provided for.....	174.50		
Other sources—Demurrage.....	90.00		
Accredited insurance.....	1.20		
Total other earnings.....			1,880.10
Total gross earnings from operation—North Carolina.			434,521.82

RENTALS PAID.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
Terminals.....	Raleigh, N. C.....	N. C. R. R. Co.....	\$454.76	\$454.76

BONDS OWNED.

Name.	Total Par Value.	Rate per Cent.	Income or Interest Received.	Valuation.
Second mortgage, Carolina Central R. R. Co.				\$10,250.00
First mortgage, Shelby Division C. C. R. R.	\$7,000.00	4	\$280.00	5,337.50
Total	7,000.00		280.00	15,587.50

MISCELLANEOUS INCOME.

Item.	Gross Income.	Net Miscellaneous Income.
Outside rents	\$1,440.00	
Interest received	5,968.67	
Total		\$7,408.67

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Item.	ASSETS.	Item	Increase.	Decrease.
\$1,939,030.73	Cost of road	\$1,939,355.73	\$325.00	
48,919.79	Cost of equipment	51,329.57	2,409.78	
15,587.50	Bonds owned	15,587.50		
31,454.24	Other permanent investments	31,454.24		
140,981.18	Cash and current assets	128,501.90		\$12,479.28
	OTHER ASSETS.			
50,282.00	Equipment trusts	67,015.32	16,733.32	
19,674.79	Materials and supplies	18,699.41		975.38
99,489.07	Profit and loss	97,886.85		1,602.22
2,345,419.30	Grand total	2,349,830.52	19,468.10	15,056.88
	LIABILITIES.			
\$873,600.00	Capital stock	\$873,600.00		
1,000,000.00	Funded debt	1,000,000.00		
471,819.30	Current liabilities	476,230.52	\$4,411.22	
2,345,419.30	Grand total	2,349,830.52	4,411.22	

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Ton nage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	103, 178			
Number of passengers carried one mile.....	4, 683, 498			
Number of passengers carried one mile per mile of road.....	34, 405			
Average distance carried	45.392			
Total passenger revenue		88, 725	81	
Average amount received from each passenger.....			85	993
Average receipts per passenger per mile.....			01	894
Total passenger earnings		110, 629	66	
Passenger earnings per mile of road.....		812	68	
Passenger earnings per train mile.....			71	414
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue....	450, 074			
Number of tons carried one mile	33, 308, 879			
Number of tons carried one mile per mile of road	244, 684			
Average distance haul of one ton.....	.74			
Total freight revenue.....		322, 012	06	
Average amount received for each ton of freight.			71	546
Average receipts per ton per mile.....				966
Total freight earnings		322, 012	06	
Freight earnings per mile of road.....		2, 365	47	461
Freight earnings per train mile		1	53	855
PASSENGER AND FREIGHT—				
Passenger and freight revenue		410, 737	87	
Passenger and freight revenue per mile of road		3, 017	24	726
Passenger and freight earnings		432, 641	72	
Passenger and freight earnings per mile of road		3, 178	15	118
Gross earnings from operation		434, 521	82	
Gross earnings from operation per mile of road.....		3, 191	96	224
Gross earnings from operation per train mile.....		1	19	306
Operating expenses		358, 894	71	
Operating expenses per mile of road.....		2, 636	41	159
Operating expenses per train mile			98	541
Income from operation		75, 627	11	
Income from operation per mile of road.....		555	55	065

Durham and Northern Railway Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each road named.
	From	To	
Durham and Northern Railway Company	Durham, N. C.	Henderson, N. C.	41.40
Total			41.40

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.	DIVIDENDS DECLARED DURING YEAR	
					Rate.	Amount.
Capital stock—Common	5,000	\$100.00	\$500,000.00	\$290,100.00	2 per ct.	\$5,802.00

Manner of Payment for Capital Stock.	Number of Shares Issued During Year.	Cash Realized on Amount Issued During Year.	Total Number Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common			2,901	\$290,100.00
Total			2,901	290,100.00

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First Mortgage	1888	1928	\$6,000.00 per mile	\$150,000.00	\$150,000.00	\$145,264.52

Class of Bond or Obligation.	INTEREST			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First Mortgage	6	May & Nov.	\$9,000.00	\$9,000.00

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$150,000.00
Amount outstanding	150,000.00
Interest—amount accrued during year	9,000.00
Amount paid during year	9,000.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.	
Cash	\$2,125.91
Due from solvent companies and individuals	31,902.97
Total cash and current assets	34,028.88
LIABILITIES.	
Audited vouchers and accounts	\$2,954.14
Wages and salaries	2,147.78
Net traffic balances due to other companies	9,196.25
Total—current liabilities	14,298.17
Balance—cash assets	19,730.71
Total	34,028.88

Materials and supplies on hand \$1,229.12.

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount
Capital stock	\$290,100.00	\$290,100.00	41.40	\$7,007.00
Bonds	150,000.00	150,000.00	41.40	3,623.00
Total	440,100.00	440,100.00	41.40	10,630.00

B. FOR MILEAGE OPERATED.

Name of Road	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
D and N, Railway Co ...	\$290,100.00	\$150,000.00	\$440,100.00	41.40	\$10,630.00

EARNINGS FROM OPERATION.

Item.	Total Receipts	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue -----	\$9,558.72		
Less repayments—			
Tickets redeemed -----		\$15.34	
Excess fares refunded -----		11.75	
Total deductions -----		27.09	
Total passenger revenue -----			\$9,531.63
Mail -----			1,987.48
Express -----			538.85
Extra baggage and storage -----			46.19
Other items—News Company -----			27.12
Total passenger earnings -----			12,131.27
FREIGHT—			
Freight revenue -----	69,440.49		
Less repayments—			
Overcharge to shippers -----		1,492.25	
Other repayments -----		1,867.93	
Total deductions -----		3,360.18	
Total freight revenue -----			66,080.31
Total freight earnings -----			66,000.31
Total passenger and freight earnings -----			78,211.58
OTHER EARNINGS FROM OPERATION—			
Switching charges -----	79.43		
Telegraph companies -----	30.09		
Rents not otherwise provided for -----	605.00		
Other sources—Demurrage -----	8.00		
Total other earnings -----			722.52
Total gross earnings from operation— North Carolina. -----			78,934.10

RENTALS PAID.

RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.
Terminals -----	Durham, N C -----	W. F. Morris' Manufacturing Company.	\$180.00
Grand total rents -----			180.00

INCOME ACCOUNT.

Gross earnings from operation	\$78,934.10	-----
Less operating expenses	56,391.32	-----
Income from operation		\$22,542.78
Interest on bonds owned	1,295.77	-----
Income from other sources		1,295.77
Total income		23,838.55
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	9,000.00	-----
Taxes	1,600.82	-----
Other deductions—Loss on fuel, \$25.80; loss on stores, \$7.42	33.22	-----
Total deductions from income		10,634.04
Net income		13,204.51
Dividends, 2 per cent common stock	5,802.00	-----
Total		5,802.00
Surplus from operations of year ending June 30, 1898		7,402.51
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report].		15,598.98
Total		23,001.49
Deductions for year, loss on stores previous years		78.66
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		22,922.83

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897,	ASSETS.	YEAR ENDING JUNE 30, 1898.			
		Item.	Total.	Increase.	Decrease.
Total.					
\$415,639.10	Cost of road	\$415,750.44	-----	\$111.34	-----
26,312.56	Cost of equipment	26,312.56	-----		-----
60,089.39	Cash and current assets	34,028.88	-----		\$26,060.51
	OTHER ASSETS.				
11,943.07	Materials and supplies	1,229.12	-----		10,713.95
513,984.12	Grand total		\$477,321.00	111.34	36,774.46
	LIABILITIES.				
\$290,100.00	Capital stock	\$290,100.00	-----		-----
150,000.00	Funded debt	150,000.00	-----		-----
58,285.14	Current liabilities	14,298.17	-----		\$43,986.97
15,598.98	Profit and loss	22,922.83	-----	\$7,323.85	-----
513,984.12	Grand total		\$477,321.00	7,323.85	43,986.97

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures During Year.			Amount.
Total construction charged to construction or equipment.....			\$111.34
Item.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Total equipment.....	\$26,312.56	\$26,312.56	\$635.57
Total construction.....	415,639.10	415,750.44	10,042.28
Grand total cost construction, equipment, etc., State of North Carolina.	441,951.66	442,063.00	10,677.85

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures.....	\$17,705.62
Maintenance of equipment.....	2,765.51
Conducting transportation.....	33,831.95
General expenses.....	2,088.24
Grand total.....	56,391.32
Percentage of expenses to earnings—North Carolina.....	71.4

Roanoke and Tar River Railroad Company.

Terminals.	Miles.
Virginia and North Carolina State line to Lewiston.....	32.30

Property leased to and operated by Seaboard and Roanoke Railroad Company, and operations included in the report of that company.

CAPITAL STOCK.

Number of shares authorized—Common.....	15,000
Par value of shares.....	\$100.00
Total par value authorized.....	1,500,000.00
Total amount issued and outstanding.....	5,150.00

CAPITAL STOCK—Continued.

MANNER OF PAYMENT FOR CAPITAL STOCK.

Issued for cash, Common—total number shares issued	515
Total cash realized, Common	\$5, 150. 00

Ten per cent of the subscription only has been called for.

FUNDED DEBT.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	1887.	1917.	\$260,000.00	.....	\$260,000.00	\$260,000.00

INTEREST.

Class of Bond or Obligation.				
	Rate	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First mortgage	6 per ct.	Apr. and Oct.	\$15,600.00	\$15,600.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Total cost to June 30, 1898	\$266,203.40
Cost per mile	8,241.50

CURRENT ASSETS AND LIABILITIES.

ASSETS	Amount.
Cash	\$539.10

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$5,150.00	\$5,150.00	32.3	\$159.00
Bonds	260,000.00	260,000.00	32.3	8,049.00
Total	265,150.00	265,150.00	32.3	8,208.98

Carolina Central Railway Company.

PROPERTY OPERATED.

Name.	TERMINALS		Miles of Line for each Road named.	Miles of Line for each Class of Roads named.
	From—	To—		
Carolina Central R. R. Co.---	Wilmington-----	Rutherfordton-----	-----	264.63
Wilmington Rwy. Bridge Co	Wilmington-----	Meares Bluff-----	-----	2.40
Henrietta Branch-----	Ellenboro-----	Henrietta-----	-----	6.40
Total-----			-----	273.43

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue	When Due.				
First mortgage-----	1881	1920	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	-----
First mortgage, Shelby Division.	1893	1920	250,000.00	250,000.00	152,000.00	-----
Second mortgage, income--	1881	1915	1,500,000.00	1,500,000.00	1,500,000.00	-----
Third mortgage, income---	1881	1910	1,500,000.00	1,500,000.00	1,500,000.00	-----
Total—mortgage bonds			2,250,000.00	2,250,000.00	2,152,000.00	-----
Income bonds---			3,000,000.00	3,000,000.00	3,000,000.00	-----
Grand total-----			5,250,000.00	5,250,000.00	5,152,000.00	-----

INTEREST.

Class of Bond or Obligation.	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year
First mortgage-----	4	Jan. and July	\$80,000.00	\$80,000.00
First mortgage, Shelby Division-----	4	Jan. and July	6,080.00	6,080.00
Second mortgage, income*-----			-----	-----
Third mortgage, income*-----			-----	-----
Total-----			86,080.00	86,080.00

* Income non-cumulative.

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued Dur- ing Year.	Amount Paid Dur- ing Year.
Mortgage bonds.....	\$2,250,000.00	\$2,152,000.00	\$86,080.00	\$86,080.00
Income bonds.....	3,000,000.00	3,000,000.00	-----	-----
Total	5,250,000.00	5,152,000.00	86,080.00	86,080.00

RECAPITULATION.

FOR MILEAGE OWNED.

Account.	Total Amount Outstanding	Apportionment to Railroads.	Amount per Mile of Line.	
			Miles.	Amount.
Capital stock	\$1,200,000.00	\$1,200,000.00	264.63	\$4,535.00
Bonds	5,250,000.00	5,152,000.00	264.63	19,839.00
Total	6,450,000.00	6,352,000.00	264.63	24,374.00

CAPITAL STOCK.

Capital Stock—Common—Number of shares authorized	12,000
Par value of shares	\$100.00
Total par value authorized	1,200,000.00
Total amount issued and outstanding	1,200,000.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Cash	\$8,004.35
Due from solvent companies and individuals	12,497.31
Total—cash and current assets	18,501.66
Balance—current liabilities	213,995.36
Total	232,497.02

LIABILITIES.

Loans and bills payable	110,395.55
Audited vouchers and accounts	34,549.91
Wages and salaries	16,092.35
Net traffic balances due to other companies	69,165.31
Miscellaneous	2,293.90
Total—current liabilities	232,497.02
Total	232,497.02

Materials and supplies on hand, \$12,046.64.

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Total cost of equipment to June 30, 1897	\$338,623.37
Total cost of equipment to June 30, 1898	338,623.37
Total cost per mile	1,268.19
Total cost of construction, equipment, etc., during year, not included in operating expenses	1,000.00
Total cost of construction, equipment, etc., to June 30, 1897	5,604,207.19
Total cost of construction, equipment, etc., to June 30, 1898	5,605,207.19
Total cost per mile	20,190.92
Grand total cost construction, equipment, etc., during year, not included in operating expenses	1,000.00
Grand total cost construction, equipment, etc., to June 30, 1897	5,942,830.56
Grand total cost construction, equipment, etc., to June 30, 1898	5,943,830.56
Grand total cost per mile	22,259.11

INCOME ACCOUNT.

Gross earnings from operation	\$616,415.57	-----
Less operating expenses	434,442.39	-----
Income from operation		\$181,973.18
Miscellaneous income—outside rents	399.99	-----
Interest received	218.76	-----
Premium on sale Wilmington Railway Bridge bonds	180.00	-----
Income from other sources		798.75
Total income		182,771.93
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	86,080.00	-----
Interest on interest-bearing current liabilities accrued, not otherwise provided for	5,834.46	-----
Interest on Wilmington Railway Bridge bonds	5,185.00	
Taxes	18,689.33	
Other deductions { Loss in fuel	\$168.85 }	
{ Loss in stores	109.54 }	278.39
Total deductions from income		116,067.18
Net income		66,704.75
Surplus from operations of year ending June 30, 1898		66,704.75
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report]		553,195.01
Additions for year		44,200.87
Surplus on June 30, 1898 [for entry on "General Balance Sheet"]		530,691.13

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$146,233.73		
Tickets redeemed		\$717.12	
Excess fares refunded		330.01	
Other repayments		.42	
Total deductions		1,047.55	
Total passenger revenue			\$145,186.18
Mail			26,185.28
Express			11,739.89
Extra baggage and storage			1,858.70
Other items			\$25.79
Total passenger earnings			185,295.84
FREIGHT—			
Freight revenue	429,255.46		
Overcharge to shippers		6,819.56	
Other repayments		6,493.67	
Total deductions			13,313.23
Total freight revenue			415,942.23
Other items			6,083.66
Total freight earnings			422,025.89
Total passenger and freight earnings			607,321.73
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance			1,202.56
Telegraph companies			2,122.47
Rents not otherwise provided for			5,580.70
Other sources—Demurrage			178.00
Accident Insurance			10.11
Total other earnings			9,093.84
Total gross earnings from operation—North Carolina—Entire Line.			616,415.57

BONDS OWNED.

Name—C. C. Railway, Shelby Division, 1st mortgage—valuation \$98,000.00
Rate of interest, 4 per cent.

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$76,408.01
Maintenance of equipment.....	44,116.51
Conducting transportation.....	290,964.44
General expenses.....	22,953.43
Grand total.....	434,442.39
Percentage of expenses to earnings—Entire Line.....	70.5

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
Total.		Total.	Increase.	Decrease.
\$5,604,207.19	Cost of road.....	\$5,605,207.19	\$1,000.00	-----
338,623.37	Cost of equipment.....	338,623.37		-----
	Bonds owned.....	98,000.00	98,000.00	-----
34,817.91	Other permanent investments.....	34,817.91		-----
202,167.30	Other permanent improvements.....	239,841.62	37,674.32	-----
18,925.28	Cash and current assets.....	18,501.66		\$923.62
	OTHER ASSETS.			
12,046.64	Materials and supplies	10,494.14		1,552.50
553,195.01	Profit and loss	530,691.13		22,503.88
6,763,982.70	Grand total.....	6,876,177.02	112,194.32	-----
	LIABILITIES.			
\$1,200,000.00	Capital stock.....	\$1,200,000.00		-----
5,152,000.00	Funded debt	5,250,000.00	\$98,000.00	-----
261,342.70	Current liabilities	232,497.02		\$28,845.68
150,640.00	Certificate of indebtedness.....	193,680.00	43,040.00	-----
6,763,982.70	Grand total.....	6,876,177.02	112,194.32	-----

Georgia, Carolina and Northern Railway Company.

PROPERTY LEASED.

From Monroe to Atlanta, 266.10 miles.

CAPITAL STOCK.

Capital stock, Common—number of shares authorized.....	17,500
Par value of shares.....	\$100.00
Total par value authorized.....	1,750,000.00
Total amount issued and outstanding.....	1,111,400.00
Preferred.....	500,000.00

MANNER OF PAYMENT FOR CAPITAL STOCK.

Issued for cash, Common—total number shares issued and outstanding.....	\$1,111,400.00
Issued for cash, Preferred.....	500,000.00
Total cash realized.....	535,400.00

FUNDED DEBT.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First mortgage	July. 1889	1929	\$5,360,000.00	\$5,360,000.00	\$5,360,000.00	\$4,862,600.00
First mortgage						
Mortgage bonds			5,360,000.00	5,360,000.00	5,360,000.00	4,862,600.00
Grand total.....			5,360,000.00	5,360,000.00	5,360,000.00	4,862,600.00

Rate of interest, 5 per cent, payable January and July.
Interest accrued and paid during year \$26,800.

RECAPITULATION OF FUNDED DEBT.

Mortgage bonds—amount issued	\$5,360,000.00
Amount outstanding	5,360,000.00
Interest—amount accrued during year	268,000.00
Interest—amount paid during year.....	268,000.00

RECAPITULATION.
FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE.	
			Miles.	Amount.
Capital Stock.....	\$1,611,400.00	\$1,611,400.00	266.10	\$6,055.00
Bonds.....	5,360,000.00	5,360,000.00	266.10	20,135.00
Total.....	6,971,400.00	6,971,400.00	266.10	26,190.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Expenditures During Year	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
EQUIPMENT—				
Locomotives	\$10,197.20	\$43,308.13	\$53,505.33	-----
Passenger cars		3,600.00	3,600.00	-----
Baggage, express and postal cars		3,300.00	3,300.00	-----
Freight cars		83,021.77	83,021.77	-----
Other cars of all classes		2,050.48	2,050.48	-----
Total equipment	10,197.20	135,280.38	145,477.58	\$5,466.23
Total construction	7,223.72	6,375,859.04	6,368,635.32	23,933.31
Grand total cost construction, equipment, etc.	2,473.48	6,511,139.42	6,514,112.90	29,399.54
Total cost construction, equipment, etc., North Carolina.	133.81	378,812.59	328,963.51	1,590.52

INCOME ACCOUNT.

Income from lease of road	\$284,812.37	-----
Total income		\$284,812.37
DEDUCTIONS FROM INCOME—		
Salaries and maintenance of organization	657.88	-----
Interest on funded debt accrued	268,000.00	-----
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	19,816.14	-----
Total deductions from income		288,474.02
Deficit		3,661.65
Deficit from operations of year ending June 30, 1898		3,661.65
Deficit on June 30, 1897, [From "General Balance Sheet," 1897 Report]		447,287.14
Deficit on June 30, 1898, [For entry on "General Balance Sheet,"]		450,948.79

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Due from solvent companies \$16,812.37

LIABILITIES.

Audited vouchers and accounts 8,445.48

Miscellaneous 2,028.58

Balance—Cash assets 6,338.31

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
Item.		Item.	Increase.	Decrease
\$6,375,859.04	Cost of road	\$6,368,635.32		\$7,223.72
135,280.38	Cost of equipment	145,477.58	\$10,197.20	
10,000.00	Bonds owned			10,000.00
36,714.44	Cash and current assets	16,812.37		19,902.07
447,287.14	Profit and loss	450,948.79	3,661.65	
7,005,141.00	Grand total	6,981,874.06		23,266.94
	LIABILITIES.			
\$535,500.00	Capital stock	\$1,611,400.00	\$1,075,900.00	
5,360,000.00	Funded debt	5,360,000.00		
1,109,641.00	Current liabilities	10,474.06		\$1,099,169.94
7,005,141.00	Grand total	6,979,874.06		23,269.94

Georgia, Carolina and Northern Railway Company—Continued.

LESSEE'S REPORT OF OPERATIONS.

PROPERTY OPERATED.

Seaboard Air Line Belt Railroad, from Belt Junction, Ga., to Wanda, Ga., miles 8.

Georgia, Carolina and Northern Railway, from Monroe, N. C., to Inman Park, Ga., miles 266.10.

Western and Atlantic Railroad, from Wanda, Ga., to Union Pass Station, Atlanta, Ga., miles 3.

CURRENT ASSETS AND LIABILITIES.**ASSETS.**

Cash	\$5,186.21
Bills receivable.....	26,651.68
Due from solvent companies and individuals.....	27,800.08
Net traffic balances due from other companies	31,289.46
Total—cash and current assets.....	90,927.43
Balance—Current liabilities.....	18,645.57
Total	109,573.00

LIABILITIES.

Audited vouchers and accounts.....	40,483.67
Wages and salaries	25,220.24
Miscellaneous	43,869.09
Total—current liabilities.....	109,573.00
Materials and supplies on hand, \$18,645.57.	

INCOME ACCOUNT—Entire Line.

Gross earnings from operation.....	\$856,931.92	
Less operating expenses	747,286.44	
Income from operation		\$109,645.48
Total income		109,645.48
DEDUCTIONS FROM INCOME:		
Taxes	43,182.30	
One-half net balance paid to S. & R. R. R. Co.....	33,231.59	
One-half net balance paid to R. & E. R. R. Co	33,231.59	
Total deductions from income		109,645.48

RENTALS PAID.**RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.**

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
TRACKS—				
Trackage rights for passenger trains.	Wanda, Ga., to U. Pass. station, Atlanta, Ga.	N. C. & St. L. Rwy., lessees W. & A. R. R.		
Total				\$5,000.00
YARDS—				
Depot for passenger trains.	Atlanta, Ga	N. C. & St. L. Rwy		
Total				7,500.00
Grand total rents				12,500.00

EARNINGS FROM OPERATION.—Entire Line.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$198,800.68		
Tickets redeemed		381.16	
Excess fares refunded		606.07	
Other repayments		2.12	
Total deductions		989.35	
Total passenger revenue			\$197,811.33
Mail			38,803.40
Express			12,161.66
Extra baggage and storage			1,552.29
Other items			521.90
Total passenger earnings			250,850.58
FREIGHT—			
Freight revenue	618,083.24		
Overcharge to shippers		15,792.93	
Total freight earnings			602,290.31
Total passenger and freight earnings			853,140.89
OTHER EARNINGS FROM OPERATION—			
Telegraph companies			1,015.82
Rents not otherwise provided for			2,198.35
Other sources			576.86
Total other earnings			3,791.03
Total gross earnings from operation—North Carolina			43,276.02
Total gross earnings from operation—Entire Line			856,931.92

OPERATING EXPENSES.

Item.	Amount
OPERATING EXPENSES—ENTIRE LINE.	
Maintenance of way and structures	\$148,233.72
Maintenance of equipment	39,859.78
Conducting transportation	528,807.79
General expenses	30,385.15
Total	747,286.44
OPERATING EXPENSES—STATE OF NORTH CAROLINA—	
Maintenance way and structures	\$2,019.43
Maintenance of equipment	2,156.41
Conducting transportation	28,603.51
General expenses	1,643.84
Total	40,428.19
Percentage of expenses to earnings—North Carolina .....	.04

Seaboard and Roanoke Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles Line for Each Class Roads Named.
	From—	To—		
S. & R. R. R. Co	Portsmouth, Va.	Weldon, N. C.	78.6	
S. & R. R. R. Co	Boykins, Va.	Va. & N. C. State Line.	2.7	81.3
R. & T. R. R. R. Co	State Line Va. & N. C.	Lewiston, N. C.		32.3
Total				113.6

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.	DIVIDENDS DECLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common	11,442	\$100.00	\$1,500,000.00	\$1,114,200.00		
Preferred	2,000	100.00	200,000.00	200,000.00	7 per ct.	\$14,000.00
Second preferred	442	100.00	44,200.00	44,200.00	7 per ct.	3,094.00
Total	13,884		1,790,000.00	1,388,400.00		17,094.00

CAPITAL STOCK—Continued.

Manner of Payment for Capital Stock.	Number of Shares Issued During Year.	Cash Realized on Amount Issued During Year.	Total Number Shares Issued and Outstanding.	Total Cash Realized.
* Issued for cash—Common	-----	-----	5,295	\$517,000.00
† Issued for bonds—Common	-----	-----	6,147	606,450.00
Preferred	-----	-----	2,442	244,200.00
Total	-----	-----	13,884	1,367,650.00

* Entered on books as subscriptions. † Issued in settlement of bonds.

CURRENT ASSETS AND LIABILITIES.**ASSETS.**

Cash	\$130,412.45
Bills receivable	213,872.07
Due from solvent companies and individuals	112,618.35
Net traffic balances due from other companies	69,584.97
Total—Cash and current assets	526,487.84
Total	526,487.84

LIABILITIES.

Loans and bills payable	\$10,000.00
Audited vouchers and accounts	77,936.04
Wages and salaries	14,924.62
Miscellaneous	26,299.55
Total—Current liabilities	159,160.21
Balance—Cash assets	367,327.63
Total	526,487.84

Materials and supplies on hand, \$31,012.05.

OPERATING EXPENSES.**OPERATING EXPENSES—ENTIRE LINE.**

Maintenance of way and structures	\$69,544.84
Maintenance of equipment	69,539.23
Conducting transportation	353,246.18
General expenses	46,740.13
Total	539,070.38
Percentage of expenses to earnings—Entire Line	61.9

OPERATING EXPENSES—NORTH CAROLINA:

Maintenance of way and structures	31,434.27
Maintenance of equipment	31,431.73
Conducting transportation	159,667.27
General expenses	21,126.54
Total	243,659.81
Percentage of expenses to earnings—North Carolina	28

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First Mortgage -----	1886	1926	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,561,183.12
TOTAL—						
Mortgage bonds -----			2,500,000.00	2,500,000.00	2,500,000.00	2,561,183.12
Miscellaneous obliga'ns.-----			690,000.00	690,000.00	690,000.00	690,000.00
Grand total-----			3,190,000.00	3,190,000.00	3,190,000.00	3,251,183.12

Class of Bond or Obligation.	INTEREST			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First Mortgage -----	5	Jan. & July	\$125,000.00	\$125,000.00
TOTAL—				
Mortgage bonds -----			125,000.00	125,000.00
Miscellaneous obligations -----	6	Feb. & Aug.	41,400.00	41,400.00
Grand total -----			166,400.00	166,400.00

EQUIPMENT TRUST OBLIGATIONS. A. GENERAL STATEMENT.

Series or Other Designation.	Date of Issue.	Term.	Equipment Covered.
Series A—S. A. L. equipment----	Jan. 1, 1890	10 years--	11 locomotives, 1 superintendent's car, 3 M. B. & E. cars, 5 second-class passenger and caboose cars, 4 first-class passenger cars, 200 box cars, 15 caboose cars.
Series B—S. A. L. equipment----	Jan. 1, 1891	10 years	4 shifting locomotives, 4 freight locomotives, 4 passenger locomotives, 3 postal cars, 5 first-class passenger cars, 200 box, 25 coal gondolas.
Series A—S. A. L. car trust-----	March 1, 1893	10 years	14 locomotives, 4 first-class passenger cars, 4 passenger and box cars, 4 mail and express cars, 15 caboose cars, 35 stock cars, 25 box cars.
Series B—S. A. L. car trust-----	April 1, 1895	10 years--	12 passenger and freight locomotives.
Series C—S. A. L. car trust-----	April 1, 1896	10 years--	12 locomotives, 175 box cars, 100 flat cars.
Series D—S. A. L. car trust-----	Nov. 1, 1897	20 years--	5 freight locomotives, 2 switch locomotives, 350 box, 150 flats.

FUNDED DEBT—Continued.**B. STATEMENT OF AMOUNT.**

Series or Other Designation.	DEFERRED PAYMENTS—PRINCIPAL.		DEFERRED PAYMENTS—INTEREST.			
	Original Amount.	Amount Outstanding.	Original Amount.	Amount Accrued During Year.	Amount Paid During Year.	Rate
½ Series A—S. A. L. equipment.	\$125,000.00	\$25,000.00	\$6,250.00	\$1,875.00	\$1,875.00	5
½ Series B—S. A. L. equipment.	125,000.00	37,500.00	6,250.00	2,500.00	2,500.00	5
½ Series A—S. A. L. car trust...	125,000.00	62,500.00	6,250.00	3,750.00	3,750.00	5
⅓ Series B—S. A. L. car trust...	36,666.66	25,666.66	1,833.33	1,466.68	1,466.68	5
⅓ Series C—S. A. L. car trust...	83,333.33	66,666.66	4,166.66	3,750.00	3,750.00	5
⅓ Series D—S. A. L. car trust...	100,000.00	100,000.00	5,000.00	2,500.00	2,500.00	5
Total	594,999.99	317,333.32	29,749.99	15,841.68	15,841.68	

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds	\$2,500,000.00	\$2,500,000.00	\$125,000.00	\$125,000.00
Miscellaneous obligations	690,000.00	690,000.00	41,400.00	41,400.00
Total	3,190,000.00	3,190,000.00	166,400.00	166,400.00

RECAPITULATION.**FOR MILEAGE OWNED.**

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$1,388,400.00	\$1,388,400.00	81.3	\$17,077.00
Bonds	3,150,000.00	3,190,000.00	81.3	39,237.00
Equipment trust obligations.	317,333.32	317,333.32	81.3	3,903.00
Total	4,895,733.32	4,895,733.32	81.3	60,217.00

BOARD OF RAILROAD COMMISSIONERS.

FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
Seaboard and Roanoke R. R. Co.---	\$1,388,400.00	\$3,190,000.00	\$4,578,400.00	81.3	\$56,814.00
Roanoke and Tar River R. R. Co.---	5,150.00	260,000.00	265,150.00	32.3	8,209.00
Total-----	1,393,550.00	3,450,000.00	4,843,550.00	113.6	64,533.00

COST OF ROAD, EQUIPMENT AND PERMANENT IMPROVEMENTS.

	Expenditures During Year.	Total cost to June 30, 1897.	Total cost to June 30, 1898.	Cost per mile.
Total equipment-----	\$1,250.00	\$307,212.99	\$305,962.99	\$3,750.67
Total construction-----	6,577.91	2,770,529.65	2,777,107.56	34,158.64
Expenditures during year not included in operating expenses	5,327.91	3,077,742.64	3,083,070.55	37,909.31
Total cost construction, equipment, etc—North Carolina.	2,408.32	1,391,139.67	1,393,527.99	17,135.01

INCOME ACCOUNT.

Gross earnings from operation-----	\$869,565.35	
Less operating expenses-----	539,070.38	
Income from operation-----		\$330,494.97
Dividends on stocks owned-----	20,418.00	
In erest on bonds owned-----	31,849.00	
Miscellaneous income—less expenses-----	62,520.11	
Income from other sources-----		114,787.11
Total income-----		445,282.08
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued-----	166,400.00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	3,750.55	
Rents paid for lease of road-----	158,656.18	
Taxes-----	27,161.86	
Other deductions-----	3,142.49	
Total deductions from income-----		395,111.08
Net income-----		86,171.00
Dividends, 7 per cent, preferred stock-----		17,091.00
Surplus from operations of year ending June 30, 1898-----		69,077.00
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report].		1,558,100.23
Additions for year-----		69,077.00
Deductions for year-----		23,420.58
Surplus on June 30, 1898, for entry on "General Balance Sheet"]		1,603,756.65

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue -----	\$90,469.10		
Less repayments—			
Tickets redeemed -----		\$321.55	
Excess fares refunded -----		235.48	
Other repayments -----		.66	
Total deductions -----		757.69	
Total passenger revenue -----			\$89,711.41
Mail -----			10,728.00
Express -----			6,544.49
Extra baggage and storage -----			797.10
Other items -----			227.76
Total passenger earnings -----			108,015.09
FREIGHT—			
Freight revenue -----	719,489.10		
Less repayments—			
Overcharge to shippers -----		11,512.79	
Other repayments -----		722.44	
Total deductions -----		12,235.23	
Total freight revenue -----			707,253.87
Total freight earnings -----			707,253.87
Total passenger and freight earnings -----			815,268.90
OTHER EARNINGS FROM OPERATION—			
Switching charges -----			4,383.94
Telegraph companies -----			1,056.90
Rents from tracks, yards, and terminals -----			5,632.08
Rents not otherwise provided for -----			24,469.03
Other sources -----			18,754.44
Total other earnings -----			54,296.39
Total gross earnings from operation—North Carolina.			398,043.54
Total gross earnings from operation—Entire Line.			869,565.35

STOCKS OWNED.

A. RAILWAY STOCKS.

Name.	Total Par Value.	Income or Dividend Received.	Valuation.
Raleigh and Gaston Railroad Company-----	\$742,200.00	-----	\$369,412.00
Columbia, Newberry and Laurens Railroad Co.---	5,001.00	-----	5,001.00
Georgia, Carolina & Northern Rwy Co—Common--	536,700.00	-----	536,700.00
Georgia, Carolina & Northern Rwy Co—Preferred--	250,000.00	-----	250,000.00
Seaboard and Roanoke Railroad Company-----	300.00	-----	300.00
Carolina Southern Railroad Company-----	3,000.00	-----	3,000.00
Seaboard Air Line Belt Railroad Company-----	24,975.00	-----	24,975.00
Southeastern and Atlantic Railroad Company-----	6,200.00	-----	6,200.00
Roanoke and Tar River Railroad Company-----	50,000.00	-----	5,000.00
Richmond, Fredericksburg and P. Railroad Company—dividend obligations.	1,400.00	42.00	557.00
Total-----	1,646,776.00	42.00	1,201,145.00

B. OTHER STOCKS.

Name.	Total Par Value.	Income or Dividend Received.	Valuation.
Old Dominion Steamship Company-----	\$187,600.00	\$11,256.00	\$221,870.00
Baltimore Steam Packet Company-----	152,500.00	9,120.00	152,500.00
Total-----	340,100.00	20,376.00	374,370.00
Grand total—A and B-----	1,986,876.00	20,418.00	1,575,515.00

Rate of interest 6 per cent.

BONDS OWNED.

A. RAILWAY BONDS.

Name.	Total Par Value.	Rate.	Income or Interest Received.	Valuation.
Richmond, Fredericksburg and P. Railroad.	\$1,400.00		\$49.00	-----
Carolina Central Railroad-----	390,000.00		-----	\$290,339.64
Carolina Central Railroad—Shelby Div. --	45,000.00	4 per ct.	1,800.00	34,312.50
Seaboard Air Line Belt Railroad-----	600,000.00	5 per ct.	30,000.00	510,625.00
Total-----	1,036,400.00		31,849.00	835,277.14

BONDS OWNED—Continued.**B. OTHER BONDS.**

Name.	Total Par Value.	Rate.	Income or Interest Received.	Valuation.
Consolidated compress	\$750.00	-----	-----	\$800.00
Total	10,371.50	-----	\$31,849.00	836,077.14

RENTALS RECEIVED.

Situation of property—Gary's, N. C., to Weldon, N. C. Company using property—Petersburg Railroad. Rents received, \$5,632.08.

MISCELLANEOUS INCOME.

Gross income—outside rents	\$5,235.19
Interest received	24,053.33
One-half net profit G. C. and N. Railway, Lessees account.....	33,231.59
Total	62,520.11

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		JUNE 30, 1898.	YEAR ENDING JUNE 30, 1898.	
Item.	ASSETS.	Item.	Increase.	Decrease.
\$2,770,529.65	Cost of road	\$2,777,107.56	\$6,577.91	-----
307,212.99	Cost of equipment.....	305,962.99	-----	\$1,250.00
1,030,758.00	Stocks owned	1,575,515.00	544,757.00	-----
836,634.14	Bonds owned.....	836,077.14	-----	557.00
46,495.69	Other permanent investments	46,495.69	-----	-----
1,123,911.25	Cash and current assets	526,487.84	-----	597,423.41
	OTHER ASSETS.			
161,996.51	Equipment trusts	193,417.35	31,420.84	-----
14,687.61	Materials and supplies.....	31,012.05	16,324.44	-----
52,694.99	Rails rented out	49,241.24	-----	3,453.75
6,344,920.83	Grand total.....	6,341,316.86	-----	3,603.97
	LIABILITIES.			
\$1,388,400.00	Capital stock.....	\$1,388,400.00	-----	-----
3,180,000.00	Funded debt	3,190,000.00	-----	-----
208,420.60	Current liabilities	159,160.21	-----	\$49,260.39
1,558,100.23	Profit and loss	1,603,756.65	\$45,656.42	-----
6,344,920.83	Grand total.....	6,341,316.86	-----	3,603.97

RENTALS PAID.**A. RENTS PAID FOR LEASE OF ROAD.**

Name.	Cash.	Total.
Roanoke and Tar River Railroad	\$16,250.00	-----
Georgia, Carolina and Northern Railway	142,406.18	-----
Total rents—A.....	-----	\$158,656.18

B. RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
TRACKS—				
Crawford Street.....	Portsmouth, Va.....	City of Portsmouth.....	\$2,600.00	-----
North Street.....	Portsmouth, Va.....	City of Portsmouth.....	200.00	-----
Total.....	-----	-----	-----	\$2,800.00
TERMINALS—				
Offices	Various.....	Sundry	-----	2,415.04
Grand total rents—B.....	-----	-----	-----	5,215.04

Palmetto Railway Company.**PROPERTY OPERATED.**

Hamlet, N. C., to Cheraw, S. C. (miles)	18.20
Capital stock.....	\$300,000.00
Capital stock per mile.....	16,483.00

Leased to and operated by Raleigh and Augusta Air Line Railway Company.

SOUTHERN RAILWAY COMPANY.

PROPERTY OPERATED—Entire System.

- | | |
|---|--|
| <p>1. Railroad Line represented by Capital Stock.</p> <p style="padding-left: 20px;">A. Main Line.</p> <p style="padding-left: 20px;">B. Branches and Spurs.</p> <p>2. Proprietary Companies whose entire Capital Stock is owned by this Company.</p> | <p>3. Line operated under Lease for specified sum.</p> <p>4. Line operated under Contract, or where the Rent is contingent upon earnings or other considerations.</p> <p>5. Line operated under Trackage Rights.</p> |
|---|--|

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for Each Class of Roads Named.
	From—	To—		
1 A. Southern Railway Co.	Alexandria, Va	Neapolis, Va	231.25	-----
	Neapolis, Va	Greensboro, N. C	48.39	-----
	Neapolis, Va	West Point, Va	184.00	-----
	Charlotte, N. C	Augusta, Ga	191.00	-----
	Columbia, S. C	Greenville, S. C	143.50	-----
	Salisbury, N. C	Morristown, Tenn	228.40	-----
	Bristol, Tenn	Chattanooga, Tenn	241.55	-----
	Ooltewah Jet, Tenn ..	Brunswick, Ga	415.00	-----
	Austell, Ga	State Line, Miss.	260.70	-----
	Atlanta Junction, Ga ..	Lauderdale, Miss	284.27	-----
	Stevenson, Ala	Memphis, Tenn	237.70	2,466.06
1 B. Southern Railway Co.	Alexandria, Va	Round Hill, Va	50.12	-----
	Terminal	Fr't House, Wash, D. C ..	.22	-----
	Union Street Branch ..	Alexandria, Va	1.60	-----
	Manassas Jct., Va	Harrisonburg, Va	111.60	-----
	Calverton, Va	Warrenton, Va	8.90	-----
	Franklin Jct., Va	Pittsville, Va	7.10	-----
	Clarksville, Va	Durham, N. C	56.80	-----
	Oxford, N. C	Henderson, N. C	12.72	-----
	Pomona, N. C	Wilkesboro, N. C	100.15	-----
	Charlotte, N. C	Taylorsville, N. C	65.65	-----
	Hodges, S. C	Abbeville, S. C	11.50	-----
	Belton, S. C	Anderson, S. C	9.98	-----

PROPERTY OPERATED.—Entire System.—Continued.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for Each Class of Roads Named.
	From—	To—		
1 B. So'th'n Rwy. Co— <i>Cont'd.</i>	Murphy Jct., N. C.	Murphy, N. C.	122.40	-----
	Embreville Jct., Tenn.	Embreville, Tenn.	13.00	-----
	Rogersville Jct., Tenn.	Rogersville, Tenn.	16.00	-----
	Clinton, Tenn.	Harriman Jct., Tenn.	30.60	-----
	Knoxville, Tenn.	Maryville, Tenn.	16.00	-----
	Briceville Y., Tenn.	Panola, Tenn.	3.70	-----
	Oliver Springs, Tenn.	Big Mountain, Tenn.	3.26	-----
	Cleveland, Tenn.	Cohutta, Ga.	14.80	-----
	North Rome, Ga.	Attalla, Ala.	61.30	-----
	Howell, Ga.	Belt Jct., Ga.	3.30	-----
	Cochran, Ga.	Hawkinsville, Ga.	10.10	-----
	Dock Junction, Ga.	Turtle River Docks, Brunswick, Ga.	1.80	-----
	Marion Junction, Ala.	Akron, Ala.	53.00	-----
	Birmingham Jct., Ala.	Mobile Junction, Ala.	34.00	-----
	Garnee Jct., Ala.	Blockton, Ala.	14.30	-----
	Woodlawn, Ala.	End Belt Road, Besse- mer, Ala.	20.50	-----
	N. Birmingham, Ala.	Coalburg, Ala.	6.40	-----
	Coalburg, Ala.	Mines 9 and D, Ala.	2.60	-----
	Cardiff Village, Ala.	Brazil Mines, Ala.	1.60	-----
	Cardiff, Ala.	Blossburg, Ala.	1.91	-----
	Offerman, Ala.	Hooper Mines, Ala. ....	.60	-----
	America Jct., Ala.	America, Ala.	2.20	-----
	Henry Ellen, Ala.	Mines, Ala.	2.90	-----
	Oakman, Ala.	Coal Valley, Ala.	2.20	-----
	Patton Junction, Ala.	Patton, Ala.	1.10	-----
	Corona, Ala.	No. 3 Mines, Ala. ....	.90	-----
	Atlanta, Ga.	Fort Valley, Ga.	102.30	-----
	Tuscumbia, Ala.	Florence, Ala.	7.60	-----
	Moscow, Tenn.	Somerville, Tenn.	13.10	-----
	Knoxville, Tenn.	Cumb'ria'd Gap, Tenn.	68.21	1,068.02
	Mocksville Jct., N. C.	Mocksville, N. C.	26.15	-----
2. North Carolina Midland Railroad Co.				
2. High Point, Randleman, Ashboro and Southern Railroad Co.	High Point, N. C.	Ashboro, N. C.	26.80	-----

PROPERTY OPERATED.—Entire System—Continued.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for Each Class of Roads Named.
	From—	To—		
2. So'th'n Rwy. Co.— <i>Contin'd</i>				
2. Yadkin Railroad Co.	Salisbury, N. C.	Norwood, N. C.	41.00	-----
2. State University Railroad Company.	University, N. C.	Chapel Hill, N. C.	10.20	-----
2. Elberton Air Line Railroad Co.	Toccoa, Ga.	Elberton, Ga.	50.60	-----
2. Knoxville and Ohio Railroad Co.	Knoxville, Tenn.	Jellico, Tenn.	65.30	-----
	Coal Creek, Tenn.	Cambria, Tenn.	4.02	-----
2. Asheville and Spartanburg Railroad Co.	Biltmore, N. C.	Alston, S. C.	133.40	-----
2. Southern Railway Co. in Kentucky.	Louisville, Ky.	Lexington, Ky.	80.40	-----
	Lawrenceburg, Ky.	Burgin, Ky.	26.10	-----
	Versailles, Ky.	Georgetown, Ky.	16.70	480.67
3. Franklin and Pittsylvania Railroad Co.	Pittsville, Va.	Rocky Mount, Va.	29.90	-----
3. North Carolina Railroad Company.	Goldsboro, N. C.	Greensboro, N. C.	130.00	-----
	Caraleigh Jct., N. C.	Caraleigh Mills, N. C.	1.90	-----
	Greensboro, N. C.	Charlotte, N. C.	91.65	-----
3. Atlanta and Charlotte Air Line Railway Co.	Charlotte, N. C.	Atlanta, Ga.	268.17	-----
3. Georgia Midland Railway Co.	Columbus, Ga.	McDonough, Ga.	97.88	619.50
4. Richmond and Mecklenburg Railroad Co.	Keysville, Va.	Clarksville, Va.	31.30	-----
4. Roswell Railroad Co.	Chamblee, Ga.	Roswell, Ga.	9.11	-----
4. Southern Railway Co. in Mississippi.	State Line, Ala.	Greenville, Miss.	179.10	-----
	Itta Bena, Miss.	Webbs, Miss.	34.60	-----
	Stoneville, Miss.	Percy, Miss.	23.20	-----
	M. & O. Station, Miss.	Columbus, Miss.	1.32	-----
	Passenger Station.	Columbus, Miss. ....	.65	-----
4. Memphis and Charleston Railway Co.	State Line, Ala.	State Line, Tenn.	34.10	313.38
5. Washington Southern Railway Company.	Washington, D. C.	Alexandria, Va.	6.95	-----
5. Central of Georgia Railway Company.	Peters Street.	Union Depot, Atlanta, Ga. ....	.67	-----
5. Augusta and Summerville Railroad Company.	Entrance to Union Depot.	Augusta, Ga. ....	.50	-----
5. Georgia Railroad Co.	Entrance to Union Depot.	Augusta, Ga. ....	.25	-----
	Entrance to Union Depot.	Atlanta, Ga. ....	.74	-----

PROPERTY OPERATED—Entire System.—Continued.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for each Class of Roads Named.
	From—	To —		
5. Western and Atlantic Railroad Company.	W. and A. Crossing ..	Dalton, Ga .....	.20	-----
5. Alabama Great Southern Railroad Company.	Woodlawn, Ala.....	Birmingham, Ala ...	3.60	-----
	Birmingham, Ala ...	Woodstock, Ala	29.10	-----
	Woodstock, Ala.....	Blocton, Ala	8.10	-----
	York, Ala	Meridian, Miss	27.03	-----
	Central Passenger Station.	Louisa Street, Chattanooga, Tenn.	.40	-----
5. Louisville and Nashville Railroad Company.	Entrance to Union Depot.	Birmingham, Ala ...	.52	-----
	L. and N. Junction...	Florence, Ala .....	.20	-----
	Cumberland Gap, Tenn.	Middlesborough, Ky ..	4.90	-----
5. Kentucky and Indiana Bridge Company.	At Louisville, Ky.....	-----	6.90	-----
5. Wilmington and Weldon Railroad Company.	Selma, N. C	Tarboro, N. C	54.88	-----
5. Norfolk and Carolina Railroad Company.	Tarboro, N. C	Pinners Point, Va ...	100.50	-----
5. Nashville, Chattanooga and St. Louis Rwy. Co.	King Street	Louisa Street, Chattanooga, Tenn.	.60	-----
	Louisa Street, Chattanooga, Tenn.	Stevenson, Ala	38.00	-----
Total				284.04
				5,231.67

OTHER PROPERTY OPERATED.

Name—Baltimore, Chesapeake and Richmond Steamboat Company.

Character of Business—Passenger and Freight.

Title [Owned, Leased, etc.].—All Stocks Owned.

State—West Point, Va., to Baltimore, Md.; Baltimore, Md., to Norfolk, Va.

PROPERTY OPERATED, OWNED LINES, STATE OF NORTH CAROLINA.

Name.	TERMINALS.		Miles of Line for each Road Named.	Miles of Line for each Class of Roads Named.
	From—	To—		
Southern Railway Co in N. C.	State Line, Va	Greensboro, N. C.	42.70	-----
	Charlotte, N. C.	State Line, S. C.	11.50	-----
	Salisbury, N. C.	Asheville, N. C.	141.00	-----
	Asheville, N. C.	State Line, Tenn.	41.40	-----
Total	-----	-----	-----	239.60
Southern Railway Co. in N. C.	State Line, Va	Durham	49.70	-----
	Oxford	Henderson	12.72	-----
	Greensboro	Wilkesboro	100.15	-----
	Charlotte	Taylorsville	65.65	-----
	Asheville	Murphy	122.40	-----
Total	-----	-----	-----	350.62
Lines operated under trackage rights, as follows—				
Wilmington and Weldon R. R.	Selma, N. C.	Tarboro, N. C.	54.88	-----
Norfolk and Carolina R. R.	Tarboro	State Line, Va	6.80	-----
Total	-----	-----	-----	120.68

CAPITAL STOCK—Entire Line.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.	DIVIDENDS DECLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common	1,200,000	\$100.00	\$120,000,000.00	\$120,000,000.00	-----	-----
Preferred	600,000	100.00	60,000,000.00	57,290,400.00	1	\$543,000.00
Total	1,800,000	-----	180,000,000.00	177,290,400.00	-----	543,000.00

Manner of Payment for Capital Stock.	Total Number Shares Issued and Outstanding.
Issued for reorganization—Common	1,200,000
Preferred	500,000
Issued for acquisition of securities—Preferred	43,000
Issued for M. and C. property	29,904
Total	1,772,904

FUNDED DEBT—Entire System.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Real- ized on Amount Issued.
	Date of Issue.	When Due.				
So. Rwy. 1st con. mortgage...	1894	1994	\$120,000,000.00	\$28,804,000.00	\$28,804,000.00	No record.
So. Rwy. E. T. reorgn. mort- gage.	1894	1938	4,500,000.00	4,500,000.00	4,500,000.00	--- do ---
So. Rwy. M. Division first mortgage.	1898	1996	8,000,000.00	5,083,000.00	5,083,000.00	--- do ---
So. Rwy. M. Division sec- ond mortgage.	1898	1996	2,500,000.00	1,500,000.00	1,500,000.00	--- do ---
R. & D. consol. mortgage....	1874	1915	6,000,000.00	5,997,000.00	5,997,000.00	--- do ---
R. & D. debenture mortgage	1882	1927	4,000,000.00	3,368,000.00	3,368,000.00	--- do ---
R. & D. Eq. S. F. mortgage...	1889	1909	2,500,000.00	1,582,000.00	896,000.00	--- do ---
W. O. & W. 1st mortgage....	1884	1924	1,250,000.00	1,025,000.00	1,025,000.00	--- do ---
R. Y. R. & C. 1st mortgage...	1894	1910	400,000.00	400,000.00	400,000.00	--- do ---
R. Y. R. & C. 2d mortgage...	1880	1900	500,000.00	500,000.00	500,000.00	--- do ---
A. T. & O. 1st mortgage.....	1883	1913	150,000.00	150,000.00	150,000.00	--- do ---
W. N. C. 1st con. mortgage...	1884	1914	3,856,000.00	2,531,000.00	2,531,000.00	--- do ---
C. C. & A. 1st mortgage.....	1895	1909	2,000,000.00	2,000,000.00	1,997,500.00	--- do ---
C. C. & A. 2d mortgage.....	1872	1902	500,000.00	500,000.00	500,000.00	--- do ---
C. & G. 1st mortgage.....	1881	1916	2,000,000.00	2,000,000.00	2,000,000.00	--- do ---
E. T. V. & G. 1st mortgage...	1870	1900	20,000,000.00	3,123,000.00	3,123,000.00	--- do ---
E. T. V. & G. 1st mortgage...	1870	1900		3,106,000.00	3,106,000.00	--- do ---
E. T. V. & G. con. mortgage...	1886	1956		12,770,000.00	12,770,000.00	--- do ---
Ala. Cent. 1st mortgage.....	1879	1918		1,000,000.00	1,000,000.00	--- do ---
K. & O. 1st mortgage.....	1885	1925	2,000,000.00	2,000,000.00	2,000,000.00	--- do ---
Ga. Pac. 1st mortgage.....	1882	1922	10,000.00 per mile.	5,660,000.00	5,660,000.00	--- do ---
Ga. Pac. Eq. S. F. mortgage...	1889	1904	2,000,000.00	1,406,000.00	477,000.00	--- do ---
S. U. & C. 1st mortgage.....	1895	1995	1,000,000.00	1,000,000.00	1,000,000.00	--- do ---
V. M. Serial A. mortgage.....	1881	1906	600,000.00	600,000.00	600,000.00	--- do ---
V. M. Serial B. mortgage...	1881	1911	1,900,000.00	1,900,000.00	1,900,000.00	--- do ---
V. M. Serial C. mortgage.....	1881	1916	1,100,000.00	1,100,000.00	1,100,000.00	--- do ---
V. M. Serial D. mortgage.....	1881	1921	950,000.00	950,000.00	950,000.00	--- do ---
V. M. Serial E. mortgage.....	1881	1926	1,775,000.00	1,775,000.00	1,775,000.00	--- do ---
V. M. Serial F. mortgage.....	1881	1931	1,310,000.00	1,310,000.00	1,310,000.00	--- do ---
General mortgage.....	1886	1936	12,500,000.00	4,859,000.00	4,859,000.00	--- do ---
Char. & Rap. 1st mortgage...	1879	1913	500,000.00	500,000.00	354,500.00	--- do ---
TOTAL—						
Mortgage bonds.....				102,999,000.00	101,236,000.00	-----
Miscellaneous obliga- tions.			1,200,000.00	1,200,000.00	1,000,000.00	\$1,200,000.00

FUNDED DEBT.—Continued.

Class of Bond or Obligation.	INTEREST.			
	Rate per Cent.	When Payable.	Amount Accrued During Year	Amount Paid During Year.
So. Rwy. first con. mortgage	5	Jan. & July..	\$1,356,950.00	\$1,356,950.00
So. Rwy. E. T. reorganization mortgage	4 & 5	May & Sept..	195,000.00	195,000.00
So. Rwy. M. Division first mortgage	4	Jan. & July..	101,660.00	101,660.00
So. Rwy. M. Division second mortgage	5	Apr. & Oct. ...	Pledged see	page 49.
R. & L. consolidated mortgage	6	Jan. & July..	359,820.00	359,820.00
D. & D. debenture mortgage	5	Apr. & Oct. ...	168,400.00	168,400.00
R. & D. Eq. S. F. mortgage	5	May & Sept..	45,425.00	45,425.00
W. O. & W. first mortgage	4	Feb. & Aug. ...	41,000.00	41,000.00
R. Y. R. & C. first mortgage	5	Jan. & July..	20,000.00	20,000.00
R. Y. R. & C. second mortgage	4½	May & Nov. ...	22,500.00	22,500.00
A. T. & O. first mortgage	6	Apr. & Oct. ...	9,000.00	9,000.00
W. N. C. first consolidated mortgage	6	Jan. & July..	151,860.00	151,860.00
C. C. & A. first mortgage	5	do	99,875.00	99,875.00
C. C. & A. second mortgage	7	Apr. & Oct. ...	35,105.00	35,105.00
C. & G. first mortgage	5 & 6	Jan. & July..	110,000.00	110,000.00
E. T. V. & G. first mortgage	7	do	218,610.00	218,610.00
E. T. V. & G. first mortgage	5	do	155,300.00	155,300.00
E. T. V. & G. consolidated mortgage	5	Mar. & Nov. ...	638,500.00	638,500.00
Ala. Cent. first mortgage	6	Jan. & July..	60,000.00	60,000.00
K. & O. first mortgage	6	do	120,000.00	120,000.00
Ga. Pac. first mortgage	5 & 6	do	311,600.00	311,600.00
Ga. Pac. Eq. S. F. mortgage	5	Feb. & Aug. ...	25,735.50	25,735.50
S. M. & C. first mortgage	4	Jan. & July..	40,000.00	40,000.00
V. M. Serial A. mortgage	6	Mar. & Sept..	36,000.00	36,000.00
V. M. Serial B. mortgage	6	do	114,000.00	114,000.00
V. M. Serial C. mortgage	6	do	66,000.00	66,000.00
V. M. Serial D. mortgage	4	do	38,000.00	38,000.00
V. M. Serial E. mortgage	5	do	88,750.00	88,750.00
V. M. Serial F. mortgage	5	do	65,500.00	65,500.00
General mortgage	5	May & Nov. ...	242,950.00	242,950.00
Charlottesville & Rapidan first mortgage	6	Jan. & July *	-----	-----
TOTAL—				
Mortgage bonds			4,937,542.50	4,937,542.50
Miscellaneous obligations	6	June & Dec.	36,600.01	36,600.01
Grand total			4,974,142.51	4,974,142.57

* Annual rental, \$35,300.00, out of which amount Trustee pays interest and retire bonds reported on page 47.

FUNDED DEBT.**EQUIPMENT TRUST OBLIGATIONS.****A.—GENERAL STATEMENT.**

Series or Other Designations.	Date of Issue.	Term.	Number of Payments.
R. and D. Eq. Trust Liens, No. 2 Finance Co., of Pennsylvania.	September, 1888	10 years	Forty.
R. and D. Eq. S. F. 5 per cent mortgage.	September, 1889	20 years	
E. T. V. and G. Eq. notes to Missouri Car and Foundry Company.	Final payment February 1, 1902.		
G. P. Eq. S. F. 5 per cent mortgage	July, 1889	15 years	
Memphis and Charleston Eq. notes to Ohio Falls Car Company.	Final payment October 3, 1900.		

Series or other Designation.	Equipment Covered.	Remarks.
R. and D. Eq. Trust Liens No. 2. Finance Co. of Pennsylvania.	31 locomotives, 4 passenger cars, 500 freight cars.	Quarterly payments.
R. and D. Eq. S. F. 5 per cent mortgage.	22 locomotives, 21 passenger cars, 1124 freight cars.	
E. T. V. and G. Eq. notes to Missouri Car and Foundry Company.		Monthly payments.
G. P. Eq. S. F. 5 per cent mortgage	31 locomotives, 24 passenger cars, 1100 freightcars.	
Memphis and Charleston Eq. notes to Ohio Falls Car Company.	200 freight cars	Monthly payments.

B.—STATEMENT OF AMOUNT

Series or Other Designations.	Deferred Payments—Principal. Amount Outstanding.	Deferred payments—Interest.
Finance Company, Liens No. 2	\$8,200.00	Interest on these notes included in principal.
Missouri Car and Foundry Co.	137,500.00	
Ohio Falls Car Company	57,117.76	
Total	202,817.76	

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds	\$102,999,000.00	\$101,236,000.00	\$4,937,542.50	\$4,937,542.50
Miscellaneous obligations			36,600.01	36,600.01
Equipment trust obligations		202,817.76		
Total	102,999,000.00	101,438,817.76	4,974,142.51	4,974,142.51

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Expenditures During Year.	Total Cost to June 30, 1897.	Total Cost to June 30, 1898	Cost Per Mile.
CONSTRUCTION—				
Real estate.....	\$158,630.85	-----	-----	-----
Terminal improvements	202,537.77	-----	-----	-----
Branch line.....	20,127.61	-----	-----	-----
Track laying	76,655.02	-----	-----	-----
Station buildings and fixtures.....	8,000.00	-----	-----	-----
Shops, round-houses and turn-tables.....	3,126.07	-----	-----	-----
Miscellaneous	2,776.88	-----	-----	-----
Total construction	471,854.23	\$229,037,980.49	\$251,103,986.93	\$50,752.78
EQUIPMENT—				
Baggage, express and postal cars	31,431.91	-----	-----	-----
Freight cars	22,378.00	-----	-----	-----
Other cars of all classes	13,220.23	-----	-----	-----
Floating equipment	17,120.02	-----	-----	-----
Air brakes and automatic couplers.....	119,648.08	-----	-----	-----
Total equipment.....	203,798.24	10,844,319.08	11,892,783.07	2,403.73
Total construction	471,854.23	229,037,980.49	251,103,986.93	50,752.78
Grand total cost construction, equipment, etc.	674,652.47	239,882,299.57	262,998,770.00	53,156.51

RECAPITULATION.

A. FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock.....	\$177,290,400.00	All	3,543.48	\$50,033.00
Bonds.....	101,236,000.00	do	-----	28,570.00
Equipment trust obligations.....	202,817.76	do	-----	57.00
Total.....	278,729,217.76	-----	3,543.48	78,660.00

RECAPITULATION—Continued.

B. FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt and Outstand- ing Securities of Leasehold Estate.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
Southern Railway Co. (as per Table A.)	\$177,290,400.00	\$101,438,817.76	\$278,729,217.76	†3,534.08	*\$78,841.00
Leasehold Estates, viz:					
North Carolina Rail- road Co., stock.	-----	4,000,000.00	4,000,000.00	223.55	-----
Atlanta and Charlotte A. L. Rwy. Co., stock and bonds.	-----	7,200,000.00	7,200,000.00	268.17	-----
Georgia Midland Rail- way Co., bonds.	-----	1,650,000.00	1,650,000.00	97.88	-----
‡ Other operated lines, viz:					
† Asheville and Spartan- burg R. R. Co.	-----	-----	-----	133.40	-----
† Elberton Air Line Rail- way Co.	-----	-----	-----	50.60	-----
† Franklin and Pittsylv- ania R. R. Co.	-----	-----	-----	29.90	-----
† High Point, Randle- man, Ashboro and Southern R. R. Co.	-----	-----	-----	26.80	-----
† Knoxville and Ohio Railroad Co.	-----	-----	-----	69.32	-----
† Memphis and Charles- ton Rwy. Co.	20,000.00	-----	20,000.00	34.10	-----
† North Carolina Mid- land R. R. Co.	-----	-----	-----	26.15	-----
Richmond and Meck- lenburg R. R. Co.	-----	315,000.00	315,000.00	31.30	-----
Roswell Railroad Co.	-----	35,000.00	35,000.00	9.11	-----
† Southern Railway Co. in Kentucky.	-----	-----	-----	123.20	-----
† Southern Railway Co. in Mississippi.	-----	-----	-----	238.87	-----
State University Rail- road Co.	-----	-----	-----	10.20	-----
† Yadkin Railroad Co.	-----	-----	-----	41.00	-----
Grand total-----	177,490,400.00	114,638,817.76	292,129,217.76	4,947.63	59,014.00

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$21,078,980.82	-----
Less operating expenses	13,768,808.93	-----
Income from operation		\$7,310,171.89
Dividends on stocks owned	140,912.52	-----
Interest on bonds owned	6,125.00	-----
Miscellaneous income—less expenses	201,340.56	-----
Income from other sources		348,378.08
Total income		7,658,549.97
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	4,974,143.51	-----
Interest on interest-bearing current liabilities accrued, not otherwise provided for	54,052.88	-----
Interest on real estate mortgages	3,000.00	-----
Rents paid for lease of road	898,088.99	-----
Taxes	716,197.58	-----
Other deductions	6,101.92	-----
Total deductions from income		6,651,536.88
Net income		1,007,013.09
Dividends, ____ per cent preferred stock		543,000.00
Surplus from operations of year ending June 30, 1898		464,013.09
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report]		1,139,830.22
Deductions for year		148,891.59
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		1,454,951.72

DEDUCTIONS FOR YEAR—

Discount on So. Rwy. Co.'s first consolidated mortgage 5 per cent bonds sold during year	\$25,000.00
Interest and commission accrued prior to July 1st, 1897, in connection with purchase K. C. G. and L. Rwy. Co	79,746.62
Amount charged off by reason of default by B. and O. R. R. Co. in payment of rentals accrued prior to July 1, 1897, under its lease of the line between Strasburg and Hamilton, Va	32,883.85
Sundry small accounts written off	10,261.12
	148,891.59

EARNINGS FROM OPERATION—State of North Carolina.

Item.	Total Receipts.	Deductions, Account of Repayments, Etc.	Actual Earnings.
PASSENGER:			
Passenger revenue	\$551,608.41		
Less repayments—			
Tickets redeemed		\$1,834.32	
Excess fares refunded			
Other repayments			
Total deductions		1,834.32	
Total passenger revenue			\$549,774.09
Mail			98,952.21
Express			35,890.95
Extra baggage and storage			9,150.67
Other items			1,258.74
Total passenger earnings			695,026.66
FREIGHT:			
Freight revenue	1,841,580.83		
Less repayments—			
Overcharge to shippers		43,610.37	
Other repayments			
Total deductions		43,610.37	
Total freight revenue			1,797,970.46
Total freight earnings			1,797,970.46
Total passenger and freight earnings			2,492,997.12
OTHER EARNINGS FROM OPERATION:			
Switching charges—balance			2,161.46
Hire of equipment—balance			1,624.01
Rents from tracks, yards and terminals			4,057.21
Rents not otherwise provided for			1,305.02
Other sources			1,496.55
Total other earnings			10,644.25
Total gross earnings from operation—North Carolina			2,503,641.37
Total gross earnings from operation—Entire Line			21,078,980.82

STOCKS OWNED.

A. RAILWAY STOCKS.

Name.	Total Par Value.	Income or Dividend Received.	Valuation.
I.			
Ala. Grt. So. Rwy. Co., Limited—Class A	\$1,725,000.00	\$97,262.52	-----
Ala. Grt. So. Rwy. Co., Limited—Class B	4,540,050.00	-----	-----
Knoxville and Ohio R. R. Co.	1,117,300.00	-----	-----
Memphis and Charleston R. R. Co.*	2,656,525.00	-----	-----
Southern Rwy. Co. in Kentucky	1,000,000.00	-----	-----
Asheville and Spartanburg R. R. Co.	1,017,981.83	-----	-----
Danville and Western Rwy. Co.	368,600.00	-----	-----
Elberton Air Line Rwy. Co.	89,150.00	-----	-----
Georgia Midland Rwy. Co.	1,000,000.00	-----	-----
Hartwell Rwy. Co.	20,000.00	-----	-----
H. P., R., A. and S. R. R. Co.	212,500.00	-----	-----
North Carolina Midland R. R. Co.	595,000.00	-----	-----
Richmond and Mecklenburg R. R. Co.	300,000.00	-----	-----
State University R. R. Co.	16,800.00	-----	-----
Spartanburg, Union and Columbia R. R. Co.	1,000,000.00	-----	-----
Yadkin R. R. Co.	462,750.00	-----	-----
Total	16,151,656.83	97,262.52	\$7,189,824.64
II.			
Ala. Grt. So. Rwy. Co., Limited—Class B	\$65,500.00	-----	-----
Augusta and Summerville R. R. Co.	66,700.00	-----	-----
Georgia Southern and Florida Rwy. Co.	1,227,000.00	\$28,630.00	-----
Norfolk and Carolina R. R. Co.	833,300.00	15,000.00	-----
Norfolk and Portsmouth Belt Rwy. Co.	6,200.00	-----	-----
C., N. O. and T. P. Rwy. Co.	400.00	-----	-----
Lawrenceville Branch Rwy. Co.	75.00	-----	-----
Total	2,199,175.00	43,630.00	\$641,090.75
Total I. and II.	18,350,831.83	140,912.52	7,830,915.39

B. OTHER STOCKS.

Name.	Total Par Value.	Income or Dividend Received.	Valuation.
I.			
B. C. and R. S. B. Co., stock -----	\$250,000.00	-----	-----
B. C. and R. S. B. Co., certificates of indebtedness -----	20,000.00	-----	-----
R. and N. R. R. Co., certificates of indebtedness -----	72,046.37	-----	-----
Sheffield Machine Works stock -----	25,500.00	-----	-----
Total -----	597,548.37	-----	\$300,256.00
II.			
East Tennessee Telegraph Co., stock -----	\$1,750.00	\$100.80	-----
Kenilworth Inn Co., stock -----	16,000.00	-----	-----
Southwestern Construction Co., stock -----	16,600.00	-----	-----
Tennessee Centennial Exposition Co., stock -----	1,000.00	-----	-----
South Atlantic Export Co., stock -----	25,000.00	-----	-----
Miscellaneous -----	9,233.34	2,342.97	-----
Total -----	69,633.34	2,443.77	\$16,504.34
Total I. and II. -----	667,181.71	2,443.77	316,760.34
Grand total—A. and B. -----	19,018,013.54	143,356.29	8,147,675.73

RENTALS RECEIVED.

Designation of Property.	Situation of Property Leased.	Name of Company Using Property Leased.	Item.	Total.
Tracks -----	Hickory to Newton -----	C. and N. W. R. R. --	\$3,600.00	-----
	Waynesville, N. C. -----	W. W. Col. L. and M. Company.	47.14	-----
	Greens, N. C. -----	-----	170.07	-----
Total -----	-----	-----	-----	\$3,817.21
Terminals -----	Hickory, N. C. -----	C. and N. W. R. R. --	120.00	-----
	Newton, N. C. -----	C. and N. W. R. R. --	120.00	-----
Total -----	-----	-----	-----	240.00
Grand total rents received.	-----	-----	-----	4,057.21

BONDS OWNED.

A. RAILWAY BONDS.

Name.	Total Par Value.	Rate.	Income or Interest Received.	Valuation.
I.				
Ala. Cent. R. R. Co. inc. bonds and scrip.....	\$1,355,275.00	-----	-----	-----
Danville and Western Rwy. Co., first mortgage..	1,051,000.00	5	-----	-----
Elberton Air Line Rwy. Co., 1st mortgage.....	150,000.00	7	-----	-----
H. P., R., A. and S. R. R. Co., 1st mortgage	402,000.00	6	-----	-----
N. C. Mid. R. R. Co., 1st mortgage.....	390,000.00	6	-----	-----
Piedmont R. R., 1st mortgage	500,000.00	6	-----	-----
Piedmont R. R., 2d mortgage	500,000.00	6	-----	-----
So. Rwy. Co., in Kentucky, 1st mortgage	3,000,000.00	5	-----	-----
So. Rwy. Co., in Mississippi, 1st mortgage	200,000.00	5	-----	-----
W. N. C. R. R. Co., 1st mortgage.....	1,325,000.00	6	-----	-----
W. O. and W. R. R. C., 1st mortgage.....	221,000.00	4	-----	-----
Yadkin R. R. Co., 1st mortgage	615,000.00	6	-----	-----
Franklin and Pittsv. R. R. Co., 1st mortgage.....	74,500.00	6	-----	-----
N. C. Mid. R. R. Co., 1st mortgage.....	255,000.00	6	-----	-----
Law Branch R. R. Co., 1st mortgage.....	30,000.00	7	-----	-----
So. Rwy. Co.—Memphis Div., 2d mortgage.....	1,500,000.00	5	-----	-----
Mem. and Chas. Rwy. Co., 1st mortgage	900,000.00	5	-----	-----
So. Rwy. Co., consol. mortgage	220,000.00	5	-----	-----
Chester and Lenoir N. G. R. R. Co., 1st mortgage ..	12,000.00	7	\$840.00	-----
C. F. and Y. V. Rwy. Co., 1st mortgage B	96,000.00	6	-----	-----
Total	12,796,775.00		840.00	\$8,617,421.90
II.				
Chester and Lenoir N. G. R. R. Co., 1st mortgage..	\$75,500.00	7	\$5,285.00	-----
Blue Ridge R. R. Co., mortgage loan	496,000.00	7	-----	-----
C. F. and Y. V. Rwy. Co., 1st mortgage A	153,000.00	6	-----	-----
Hartwell Rwy. Co., 1st mortgage.....	20,000.00	5	-----	-----
Ky. and Ind. Bridge Co., 1st mortgage, term	85,000.00	5	-----	-----
Ky. and Ind. Bridge Co., 2d mortgage	90,200.00	5	-----	-----
Pickens R. R. Co., 1st mortgage	29,000.00	5	-----	-----
Total	948,700.00		5,285.00	\$331,164.61
III.				
So. Rwy. consol. mortgage 5 per cent bonds in treasury.	\$945,000.00	8	-----	\$945,000.00
Total I, II and III.....	14,690,475.00		6,125.00	9,893,586.51

B. OTHER BONDS.

Name.	Total Par Value	Rate.	Income or Interest Received	Valuation.
I.				
Sheffield Machine Works, 1st mortgage	\$ 00,000.00	6	-----	\$25,000.00
Total	100,000.00		-----	25,000.00
Grand total A and B	14,790,475.00		6,125.00	9,918,586.51

MISCELLANEOUS INCOME.

Item.	Amount.
Net income from compresses and other property	\$118,506.33
Net earnings Sheperds Ferry	7,999.38
Net income K. C. G. and L. Railway	25,101.42
Cash received from Receiver M. and C. R. R. for account of interest accrued prior to March 1, 1898, on securities issued by Southern Railway Company for purchase of M. and C. R. R.	47,286.66
Miscellaneous	2,443.77
Total	201,340.56

OPERATING EXPENSES.

OPERATING EXPENSES—ENTIRE LINE:

Maintenance of way and structures	\$3,031,170.85
Maintenance of equipment	2,751,824.32
Conducting transportation	7,246,866.44
General expenses	738,947.32
Grand total	13,768,808.93
Percentage of expenses to earnings—Entire Line	65.32

OPERATING EXPENSES—STATE OF NORTH CAROLINA:

Maintenance of way and structures	\$295,425.03
Maintenance of equipment	312,080.15
Conducting transportation	591,920.38
General expenses	84,253.07
Total	1,283,678.63
Percentage of expenses to earnings—North Carolina	50.85

RENTALS PAID

A. RENTS PAID FOR LEASE OF ROAD.

Name of Road.	Interest on Bonds Guaranteed.	Dividends on Stock Guaranteed	Cash.	Total.
North Carolina Railroad Co.			\$266,000.00	\$266,000.00
A. & C. Air Line Railway Co.	\$362,500.00	\$102,000.00	4,000.00	468,500.00
Athens Belt Line*			1,050.00	1,050.00
Wilmington and Weldon R. R.			20,962.63	20,962.63
Norfolk and Carolina			47,312.75	47,312.75
Richmond and Mecklenburg†			9,413.61	9,413.61
Georgia Midland Railway Co.	49,500.00			49,500.00
Charlottesville and Rapidan R. R.			35,300.00	35,300.00
Total Rents—A.	412,000.00	102,000.00	384,038.99	\$98,038.99

B. RENTS PAID FOR LEASE OF TRACKS, YARDS, AND TERMINALS.

Situation of Property Leased.	Name of Company Owning Property Leased.	Amount.
TRACKS—		
Trackage between Alexandria and Long Bridge, Va.	Pennsylvania Railroad	\$52,243.29
Ground Rent at W. O. and W. June ..	Thos. W. Swann	399.96
Ground Rent at Greensboro, N. C.	R. L. Vernon	25.00
Trackage at Pinner's Point	Norfolk and Carolina Railroad	320.00
Trackage at Atlanta	Central Railroad of Georgia	7,609.00
Trackage at Atlanta	Georgia Railroad	3,000.00
Trackage and Ground Rent at Atlanta ..	N. C. and St. Louis Rwy	22,500.00
Trackage at Dalton, Ga.	N. C. and St. Louis Rwy	3,000.00
Trackage at Birmingham, Ala.	A. G. S. Railroad	695.00
Ground Rent at Webbs, Miss.	Smith Murphy	5.70
Trackage at Winona, Miss.	W. H. Holmes	15.00
Trackage at Richmond, Va.	Kingan & Co.	35.00
Trackage at Augusta, Ga.	City of Augusta	1,666.66
Ground Rent at Augusta, Ga.	North Augusta Land Co.	450.00
Trackage at Watauga, Tenn.	Watauga Railroad	41.59
Trackage at Louisville, Ky.	Illinois Central Railroad	329.28
Trackage at Louisville, Ky.	P. C. C. and St. Louis Rwy	4.56
Trackage at Louisville, Ky.	Louisville Bridge Co. ....	.57
Trackage at Louisville, Ky.	Kentucky and Indiana Bridge Co.	1,674.00
Trackage Mobile to Bessemer	A. G. S. Railroad	12,658.99
Trackage York to Meridian	A. G. S. Railroad	5,406.00
Trackage Selma, Ala.	Selma Sub. Railroad	57.08

RENTALS PAID—Continued.**B. RENTS PAID FOR LEASE OF TRACKS, YARDS, AND TERMINALS.**

Situation of Property Leased.	Name of Company Owning Property Leased.	Amount.
TRACKS—		
Trackage Tusculumbia, Ala	Tusculumbia Iron Co.....	288.00
Trackage Birmingham .....	.....	.....
Trackage between Stevenson and Chattanooga, Tenn.	N.C. and St. Louis Rwy.....	20,000.00
Trackage at Sheffield, Ala	Lady Ensley C. I. and R. R. Co.....	11.70
Total .....	.....	132,436.38
TERMINALS—		
Fort Valley, Ga	Central of Georgia R. R	\$840.00
Anniston, Ala	Louisville and Nashville R. R.....	1,800.00
Griffin, Ga	Central of Georgia R. R.....	450.00
Columbus, Ga.....	Central of Georgia R. R.....	413.78
Columbus and Griffin, Ga	Georgia Midland Term Co.....	2,500.05
Louisville, Ky	Kentucky and Indiana Bridge Co	10,944.56
Louisville, Ky	Illinois Central R. R.....	91.29
Sheffield, Ala	Northern Alabama Rwy. Co.....	30.00
Florence, Ala	Northern L. and N. R. R.....	100.00
Chattanooga, Tenn	Southern Rwy. Co	209.32
Total .....	.....	17,379.90
Grand Total Rents—B.....	.....	149,816.28

CURRENT ASSETS AND LIABILITIES.**ASSETS.**

Cash	\$2,566,496.24
Bills receivable.....	62,078.08
Due from agents.....	396,597.54
Due from solvent companies and individuals	853,873.36
Net traffic balances due from other companies.....	295,762.68
Total cash and current assets	4,174,808.00
Total	4,174,808.00

LIABILITIES.

Audited vouchers and accounts	\$1,307,475.08
Wages and salaries	785,403.25
Matured interest coupons unpaid.....	1,673,239.65
Rents due July 1.....	156,550.51
Total—current liabilities	3,922,668.49
Balance—cash assets	252,139.51
Total	4,174,808.00

Materials and supplies on hand, \$1,078,538.72.

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.—North Carolina.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	586,051			
Number of passengers carried one mile.....	24,699,272			
Number of passengers carried one mile per mile of road.....	34,744			
Average distance carried.....	42.14			
Total passenger revenue.....		549,774	09	
Average amount received from each passenger.....			93	825
Average receipts per passenger per mile.....			02	225
Total passenger earnings.....		695,026	66	
Passenger earnings per mile of road.....		977	67	
Passenger earnings per train mile.....			94	790
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	1,440,207			
Number of tons carried one mile.....	168,985,995			
Number of tons carried one mile per mile of road.....	237,707			
Average distance haul of one ton.....	117.33			
Total freight revenue.....		1,797,970	46	
Average amount received for each ton of freight.....		1	24	841
Average receipts per ton per mile.....			01	064
Total freight earnings.....		1,797,970	46	
Freight earnings per mile of road.....		2,529	15	
Freight earnings per train mile.....		1	46	576
PASSENGER AND FREIGHT—				
Passenger and freight revenue.....		2,347,744	55	
Passenger and freight revenue per mile of road.....		3,302	49	
Passenger and freight earnings.....		2,492,997	12	
Passenger and freight earnings per mile of road.....		3,506	81	
Gross earnings from operation.....		2,503,641	37	
Gross earnings from operation per mile of road.....		3,521	79	
Gross earnings from operation per train mile.....		1	27	745
Operating expenses.....		1,283,678	63	
Operating expenses per mile of road.....		1,805	70	
Operating expenses per train mile.....			65	498
Income from operation.....				
Income from operation per mile of road.....				

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.			
Item.	Total.	ASSETS.			
		Item.	Total.	Increase.	Decrease.
	\$229,037,980.49	Cost of road	\$251,105,986.93	\$22,068,006.44	
	10,844,319.08	Cost of equipment	11,892,783.07	1,048,463.99	
	10,872,756.11	Stocks owned	8,145,675.73		\$2,727,080.38
	5,222,814.86	Bonds owned	9,920,586.51	4,697,771.65	
	25,095,265.00	Cost of road (leasehold estates)	12,471,845.00		12,660,420.00
	615,735.00	Equipment (leased and controlled lines)	375,155.00		240,580.00
	7,400.00	Equipment (other lines)	7,400.00		
	3,747,149.73	Cash and current assets	4,174,808.00	427,658.27	
		OTHER ASSETS.			
\$957,930.24		Materials and supplies	\$1,078,538.72		
52,638.83		Sinking fund	104,272.36		
19,890.10	1,030,535.17	Sundries	18,521.13	170,797.01	
	412,495.45	Bills receivable (deferred, but secured)	173,311.12		239,184.33
	286,886,450.89	Grand total	299,471,883.57	12,585,432.68	

LIABILITIES.			
Capital stock	\$174,300,000.00	Capital stock	\$177,290,400.00
Funded debt	80,940,289.82	Funded debt	101,438,817.76
Certificates of indebtedness		Certificates of indebtedness	1,000,000.00
Current liabilities	3,192,474.75	Current liabilities	3,922,668.49
Real estate mortgages	50,000.00	Real estate mortgages	50,000.00
Accrued interest on funded debt and accrued rentals not yet payable	508,116.67	Accrued interest on funded debt and accrued rentals not yet payable	524,429.55
Taxes accrued, not due	240,096.06	Taxes accrued, not due	249,896.07
Reserve funds	306,817.55	Reserve funds	620,376.27
Equipment sundry roads	7,400.00	Equipment sundry roads	7,400.00
Outstanding securities of leased lines	25,711,000.00	Outstanding securities of leased lines	12,850,000.00
K. C. G. L. Rwy. Co. — Balance of purchase price, due April 1, 1898.	472,356.23	K. C. G. L. Rwy. Co. — Balance of purchase price, due April 1, 1898.	\$12,861,000.00
Sundry accounts	18,089.59	Sundry accounts	472,356.23
Profit and loss	1,139,830.22	Profit and loss	
Grand total	286,886,450.89	Grand total	12,585,432.68

PASSENGER AND FREIGHT, AND TRAIN MILEAGE—Entire Line.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	COLUMNS FOR REVE- NUE AND RATES.		
		Dollars.	Cts.	Mills.
PASSENGER TRAFFIC:				
Number of passengers carried earning revenue	4,302,233			
Number passengers carried one mile	232,785,041			
Number passengers carried one mile per mile of road	47,147			
Average distance carried	54.11			
Total passenger revenue		\$5,394,518	05	
Average amount received from each passenger		1	25	389
Average receipts per passenger per mile			02	317
Total passenger earnings		7,171,743	17	
Passenger earnings per mile of road		1,452	53	
Passenger earnings per train mile		1	00	257
FREIGHT TRAFFIC:				
Number of tons carried of freight earning revenue	8,746,485			
Number of tons carried one mile	1,469,200,912			
Number of tons carried one mile per mile of road	297,554			
Average distance haul of one ton	167.98			
Total freight revenue		13,679,164	16	
Average amount received for each ton of freight		1	56	396
Average receipts per ton per mile				931
Total freight earnings		13,679,164	16	
Freight earnings per mile of road		2,770	50	
Freight earnings per train mile		1	38	755
PASSENGER AND FREIGHT:				
Passenger and freight revenue		19,073,682	21	
Passenger and freight revenue per mile of road		3,863	08	
Passenger and freight earnings		20,850,907	33	
Passenger and freight earnings per mile of road		4,223	03	
Gross earnings from operation		21,078,980	82	
Gross earnings from operation per mile of road		4,269	22	
Gross earnings from operation per train mile		1	23	907
Operating expenses		13,768,808	93	
Operating expenses per mile of road		2,788	66	
Operating expenses per train mile			80	936
Income from operation		7,310,171	89	
Income from operation per mile of road		1,480	56	

EMPLOYEES AND SALARIES—State of North Carolina.

ALL ROADS OF SOUTHERN RAILWAY (LEASED AND OWNED).

Class.	Number.	Total No. of Days Worked.	Total Yearly Compensa- tion.	Average Daily Compensa- tion.
General administration	93	34,308	\$96,779.16	\$2.82
Maintenance of way and structures	870	288,552	257,564.52	.89
Maintenance of equipment	381	126,456	195,720.00	1.55
Conducting transportation	1,417	482,352	755,386.68	1.57
Total (including "General Officers")— North Carolina.	2,760	931,668	1,305,450.36	1.40
Total (excluding "General Officers")— North Carolina.	2,760	931,618	1,305,450.36	1.40
Total (including "General Officers")— Entire Line.	17,061	5,519,220	8,335,456.36	1.48

Southern Railway---Continued.

LINES CONTROLLED AND OPERATED BY LEASE OR OTHERWISE IN NORTH CAROLINA.

Atlanta and Charlotte Air Line Railway Company	42.95
Asheville and Spartanburg Railroad Company	41.90
High Point, Randleman, Ashboro and Southern Railroad Company	26.80
North Carolina Railroad	223.55
North Carolina Midland Railroad Company	26.15
State University Railroad Company	10.20
Yadkin Railroad Company	41.00
	412.55

Atlanta and Charlotte Air Line Railway Company.**PROPERTY OPERATED—State of North Carolina.**

Atlanta and Charlotte Air Line Railway Company, from Air Line Junction, Charlotte, N. C., to State Line, South Carolina (miles)	42.95
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PROPERTY OPERATED—Entire Line.

Atlanta and Charlotte Air Line Railway Company, Air Line Junction, Charlotte, N. C., to Atlanta, Ga. (miles)	268.17
Georgia Railroad Company, entrance to Union Depot, Atlanta, Ga. (miles) .....	.74
Total number miles	268.91

CAPITAL STOCK.

Capital stock, Common—number of shares authorized.....	17,000
Par value of shares.....	\$100.00
Total par value authorized.....	1,700,000.00
Total amount issued and outstanding.....	1,700,000.00
Rate of interest, 6 per cent.	
Amount of dividends declared during year	102,000.00

FUNDED DEBT.**MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.**

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding	Cash Realized on Amount Issued.
	Date of Issue	When Due.				
First preferred mortgage.....	1897	1907	\$500,000.00	\$500,000.00	\$500,000.00	-----
First mortgage.....	1877	1907	4,250,000.00	4,250,000.00	4,250,000.00	-----
Total			4,750,000.00	4,750,000.00	4,750,000.00	-----
Income mortgage.....	1880	1900	750,000.00	750,000.00	750,000.00	-----
Grand total.....			5,500,000.00	5,500,000.00	5,500,000.00	-----

Class of Bond or Obligation.	INTEREST.			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year
First preferred mortgage.....	4	April & Oct	\$20,000.00	\$20,000.00
First mortgage.....	7	Jan. and July	297,500.00	297,500.00
Total			317,500.00	317,500.00
Income mortgage.....	6	April & Oct.	45,000.00	45,000.00
Grand total			362,500.00	362,500.00

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds.....	\$1,750,000.00	\$1,750,000.00	\$317,500.00	\$317,500.00
Income bonds.....	750,000.00	750,000.00	45,000.00	45,000.00
Total.....	5,500,000.00	5,500,000.00	362,500.00	362,500.00

RECAPITULATION.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$1,700,000.00	All	268.17	\$6,339.00
Bonds	5,500,000.00	do	268.17	20,509.00
Total	7,200,000.00	.....	268.17	26,848.00

INCOME ACCOUNT—Lessor's Report.

Income from lease of road		\$468,500.00
Total income		468,500.00
DEDUCTIONS FROM INCOME—		
Salaries and maintenance of organization	\$4,000.00	
Interest on funded debt accrued	362,500.00	
Total deductions from income		366,500.00
Net income		102,000.00
Dividends, 6 per cent common stock		102,000.00

OPERATING EXPENSES.

OPERATING EXPENSES—ENTIRE LINE.

Maintenance of way and structures	\$364,900.90
Maintenance of equipment	244,114.16
Conducting transportation	768,018.22
General expenses	58,728.42
Total	1,415,761.70
Percentage of expenses to earnings—Entire Line	86.53

OPERATING EXPENSES—NORTH CAROLINA:

Maintenance of way and structures	53,826.60
Maintenance of equipment	36,791.52
Conducting transportation	116,188.82
General expenses	9,123.24
Total	215,931.18
Percentage of expenses to earnings—North Carolina	78.87

EARNINGS FROM OPERATION.—State of North Carolina.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue.....	\$79,851.59		
Excess fares refunded.....		\$368.37	
Total deductions.....		368.37	
Total passenger revenue.....			\$79,483.22
Mail.....			39,850.98
Express.....			8,936.46
Extra baggage and storage.....			975.27
Other items*.....			149.10
Total passenger earnings.....			129,395.03
FREIGHT—			
Freight revenue.....	149,050.94		
Overcharge to shippers.....		5,581.89	
Total deductions.....		5,581.89	
Total freight earnings.....			143,469.05
Total passenger and freight earnings.....			272,864.08
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance.....			348.34
Rents not otherwise provided for.....			117.33
Other sources.....			438.10
Total other earnings.....			903.77
Total gross earnings from operation—North Carolina.....			273,767.85
Total gross earnings from operation—Entire Line.....			1,659,174.53

RENTALS PAID.

RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
TRACKS—				
	Atlanta, Ga.....	Central of Ga. Rwy. Co..	\$1,346.58	
	Atlanta, Ga.....	Georgia Railway Co....	3,000.00	
	Atlanta, Ga.....	N. C. and St. L. Co.....	5,612.42	
Total.....				\$9,959.00
Grand total rents.....				9,959.00

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Item.	ASSETS.	Total.	Increase.	Decrease.
\$7,200,000.00	Cost of road	\$7,200,000.00	-----	-----
	Grand total	7,200,000.00	-----	-----
	LIABILITIES.			
\$1,700,000.00	Capital stock	\$1,700,000.00	-----	-----
5,500,000.00	Funded debt	5,500,000.00	-----	-----
7,200,000.00	Grand total	7,200,000.00	-----	-----

Asheville and Spartanburg Railroad from Asheville, N. C. to State Line, S. C., 41.90 miles.

Asheville and Spartanburg Railroad Company.

PROPERTY OPERATED—Entire Line.

Asheville and Spartanburg Railroad from Asheville, N. C. to Alston, S. C., 133.40 miles.

CAPITAL STOCK

Capital Stock—Common—Number of shares authorized	10,500
Par value of shares	\$100.00
Total par value authorized	1,050,000.00
Total amount issued and outstanding	1,050,000.00

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
S. U. & C.—1st mortgage	1895.	1995.	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	-----

Class of Bond or Obligation.	INTEREST.			
	Rate	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
S. U. and C.—First mortgage	4 per ct.	Jan. & July	\$10,000.00	\$10,000.00

RECAPITULATION OF FUNDED DEBT.

Class of debt—mortgage bonds—amount issued.....	\$1,000,000.00
Amount outstanding	1,000,000.00
Amount interest accrued during year.....	40,000.00
Amount interest paid during year.....	40,000.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Due from solvent companies and individuals.....	\$193,623.10
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LIABILITIES.

Matured interest coupons unpaid.....	20,000.00
Balance—cash assets	173,623.10
Total	193,623.10

EARNINGS FROM OPERATION—State of North Carolina.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue.....	\$51,643.24		
Excess fares refunded.....		\$134.70	
Total deductions		134.70	
Total passenger revenue.....			\$51,508.54
Mail			4,815.12
Express			3,425.58
Extra baggage and storage.....			670.08
Other items.....			111.76
Total passenger earnings.....			60,531.08
FREIGHT—			
Freight revenue.....	81,338.80		
Overcharge to shippers.....		3,363.59	
Total deductions		3,363.59	
Total freight revenue.....			77,975.30
Total freight earnings.....			77,975.30
Total passenger and freight earnings.....			138,506.38
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance.....			48.90
Other sources			57.72
Total other earnings.....			106.62
Total gross earnings from operation—North Carolina.....			138,613.00
Total gross earnings from operation—Entire Line.....			452,276.77

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$452,276.77	-----
Less operating expenses	339,687.74	-----
Income from operation		\$112,589.03
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	40,000.00	-----
Taxes	14,519.89	-----
Other deductions	1,609.89	-----
Total deductions from income		56,129.78
Net income		56,459.25
Surplus from operations of year ending June 30, 1898		56,459.25
Deficit on June 30, 1897 [from "General Balance Sheet," 1897 Report].		148,417.71
Deductions for year		411.20
Deficit on June 30, 1898 [for entry on "General Balance Sheet"]		92,369.66

OPERATING EXPENSES.

Item.	Amount.
OPERATING EXPENSES—ENTIRE LINE.	
Maintenance of way and structures	\$69,547.34
Maintenance of equipment	59,868.83
Conducting transportation	195,839.46
General expenses	14,432.11
Total	339,687.74
Percentage of expenses to earnings—Entire Line	75.11
OPERATING EXPENSES—STATE OF NORTH CAROLINA.	
Maintenance of way and structures	\$17,812.07
Maintenance of equipment	21,913.97
Conducting transportation	72,841.83
General expenses	4,530.80
Total	117,098.67
Percentage of expenses to earnings—North Carolina	84.47

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$1,783,376.10	Cost of road	\$1,784,007.24	\$631.14	
138,206.19	Cash and current assets	193,623.10	55,416.91	
	OTHER ASSETS.			
148,417.71	Profit and loss	92,369.66		\$56,048.05
2,070,000.00	Grand total	2,070,000.00		
	LIABILITIES.			
\$1,050,000.00	Capital stock	\$1,050,000.00		
1,000,000.00	Funded debt	1,000,000.00		
20,000.00	Current liabilities	20,000.00		
2,070,000.00	Grand total	2,070,000.00		

High Point, Randleman, Ashboro and Southern Railroad Company.

PROPERTY OPERATED.

High Point, Randleman, Ashboro and Southern R.R.Co., from High Point, N.C. to Ashboro, N.C., 26.80 miles.

CAPITAL STOCK.

Capital stock, Common—Number of shares authorized	5,000
Par value of shares	\$50.00
Total par value authorized	250,000.00
Total amount issued and outstanding	250,000.00

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS

Class of bond or obligation—First mortgage.	Date of issue, April, 1889.	When due, April, 1939.
Amount of authorized issue		\$402,000.00
Amount issued		402,000.00
Amount outstanding		402,000.00
Cash realized on amount issued		No record.
Rate of interest, 6 per cent; payable January and July.		
Amount of interest accrued during year		24,120.00
Amount of interest credited during year		24,120.00

RECAPITULATION OF FUNDED DEBT.

Class of debt—Mortgage bonds—amount issued.....	\$402,000.00
Amount outstanding.....	402,000.00
Amount interest accrued during year.....	24,120.00
Amount interest credited during year.....	24,120.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Balance—current liabilities.....	\$200,926.99
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LIABILITIES

Audited vouchers and accounts.....	188,866.99
Matured interest coupons unpaid (including coupons due July 1)	12,060.00
Total—current liabilities.....	200,926.99

INCOME ACCOUNT.

Gross earnings from operation.....	\$41,997.12	
Less operating expenses.....	27,307.56	
Income from operation.....		\$14,689.56
Total income.....		14,689.56
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued.....	24,120.00	
Taxes.....	1,030.26	
Total deductions from income.....		25,150.26
Deficit.....		10,460.70
Deficit from operations of year ending June 30, 1898.....		10,460.70
Deficit on June 30, 1897 [from "General Balance Sheet," 1897 Report].		189,481.83
Deficit on June 30, 1898 [for entry on "General Balance Sheet"].....		199,942.53

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		JUNE 30, 1898.	YEAR ENDING JUNE 30, 1898.	
Total.	ASSETS	Total.	Increase.	Decrease
\$652,984.46	Cost of road.....	\$652,984.46		
189,481.83	Profit and loss.....	199,942.53	\$10,460.70	
842,466.29	Grand total.....	852,926.99	10,460.70	
	LIABILITIES			
\$250,000.00	Capital stock.....	\$250,000.00		
402,000.00	Funded debt.....	402,000.00		
190,466.29	Current liabilities.....	200,926.99	\$10,460.70	
842,466.29	Grand total.....	852,926.99	10,460.70	

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$8,524.56		
Less repayments—			
Tickets redeemed		\$74.30	
Excess fares refunded			
Other repayments			
Total deductions		74.30	
Total passenger revenue			\$8,450.26
Mail			1,436.99
Express			728.15
Extra baggage and storage			46.64
Total passenger earnings			10,662.04
FREIGHT—			
Freight revenue	33,670.82		
Less repayments—			
Overcharge to shippers		2,615.19	
Other repayments			
Total deductions		2,615.19	
Total freight revenue			31,055.63
Total freight earnings			31,055.63
Total passenger and freight earnings			41,717.67
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance			241.42
Other sources			38.03
Total other earnings			279.45
Total gross earnings from operation—North Carolina			41,997.12

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$6,651.34
Maintenance of equipment	4,551.01
Conducting transportation	15,023.09
General expenses	1,082.09
Total	27,307.56
Percentage of expenses to earnings—North Carolina	65.02

North Carolina Railroad Company.

PROPERTY OPERATED.

North Carolina Railroad Company, from Charlotte to Goldsboro (miles)	221.65
North Carolina Railroad Company, from Caraleigh Junction to Caraleigh (miles)	1.90

CAPITAL STOCK.

Number of shares authorized—Common	40,000
Par value of shares	\$100.00
Total par value authorized	4,000,000.00
Total amount issued and outstanding	4,000,000.00
Rate of interest, 6½ per cent.	
Amount of dividends declared during year	260,000.00

RECAPITULATION.

FOR MILEAGE OWNED.

Capital stock—total amount outstanding	\$4,000,000.00
Amount per mile of line (miles, 223.55)	17,898.00
Cost of road	4,975,627.53
Cost of road per mile	22,257.34

CURRENT ASSETS AND LIABILITIES.

Cash	\$4,115.24
Bills receivable	300.00
Due from solvent companies and individuals	133,444.26
Other cash assets	17.95
Total—cash and current assets	137,877.45
Balance—current liabilities	913.05
Total	138,790.50

LIABILITIES.

Loans and bills payable	15,000.00
Dividends not called for	123,682.50
Miscellaneous	108.00
Total—current liabilities	138,790.50
Total	138,790.50

INCOME ACCOUNT—Lessor's Report.

Income from lease of road		\$266,000.00
Miscellaneous income—less expenses		6,329.60
Total income		272,329.60
DEDUCTIONS FROM INCOME—		
Salaries and maintenance of organization	\$11,024.10	
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	770.00	
Taxes	88.06	
Other deductions	3,547.32	
Total deductions from income		15,429.48
Net income		256,900.12
Dividends, 6½ per cent common stock		260,000.00
Deficit from operations of year ending June 30, 1898		3,099.88
Surplus on June 30, 1897, [from "General Balance Sheet." 1897 Report].		1,003,291.22
Deductions for year		476.86
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		999,714.48

STOCKS OWNED.

Name.	Total Par Value.	Valuation.
N. W. N. C. Railroad	\$20,000.00	\$20,000.00
State University Railroad	5,000.00	5,000.00
Total	25,000.00	25,000.00

RENTALS RECEIVED.**RENTS RECEIVED FOR LEASE OF TRACKS, YARDS AND TERMINALS.**

Situation of property leased, Greensboro, N. C., C. F. & Y. V. R. R.	\$93.75
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MISCELLANEOUS INCOME.

Item.	Net Miscellaneous Income.
Union Passenger Station, Raleigh, N. C.	\$1,364.28
Miscellaneous rents, etc	134.00
Incidentals	4,831.32
Total	6,329.60

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue.....	\$524,160.57		
Less repayments—			
Tickets redeemed		\$1,723.28	
Excess fares refunded			
Other repayments			
Total deductions		1,723.28	
Total passenger revenue.....			\$522,437.29
Mail.....			112,154.36
Express			36,748.18
Extra baggage and storage			6,333.68
Other items			2,102.56
Total passenger earnings.....			679,776.07
FREIGHT—			
Freight revenue	1,032,315.71		
Less repayments—			
Overcharge to shippers		30,691.55	
Other repayments			
Total deductions			
Total freight revenue			1,001,624.16
Total freight earnings			1,001,624.16
Total passenger and freight earnings.....			1,681,400.23
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance			3,457.54
Rents from tracks, yards, and terminals			93.75
Rents not otherwise provided for.....			2,288.32
Other sources			1,100.00
Total other earnings			6,939.61
Total gross earnings from operation— North Carolina.			1,688,339.84

PASSENGER AND FREIGHT AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	492,698			
Number of passengers carried one mile.....	22,515,228			
Number of passengers carried one mile per mile of road.....	100,717			
Average distance carried.....	45.70			
Total passenger revenue.....		522,437	29	
Average amount received from each passenger.....		1	06	036
Average receipts per passenger per mile.....			02	320
Total passenger earnings.....		679,776	07	
Passenger earnings per mile of road.....		3,040	82	
Passenger earnings per train mile.....		1	25	546
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	1,260,550			
Number of tons carried one mile.....	136,003,532			
Number of tons carried one mile per mile of road.....	608,381			
Average distance haul of one ton.....	107.89			
Total freight revenue.....		1,001,624	16	
Average amount received for each ton of freight.....			79	459
Average receipts per ton per mile.....				736
Total freight earnings.....		1,001,624	16	
Freight earnings per mile of road.....		4,480	54	
Freight earnings per train mile.....		1	41	715
PASSENGER AND FREIGHT—				
Passenger and freight revenue.....		1,524,061	45	
Passenger and freight revenue per mile of road.....		6,817	54	
Passenger and freight earnings.....		1,681,400	23	
Passenger and freight earnings per mile of road.....		7,521	36	
Gross earnings from operation.....		1,688,339	84	
Gross earnings from operation per mile of road.....		7,552	40	
Gross earnings from operation per train mile.....		1	35	257
Operating expenses.....		1,269,060	58	
Operating expenses per mile of road.....		5,676	85	
Operating expenses per train mile.....		1	01	668
Income from operation.....				
Income from operation per mile of road.....				

OPERATING EXPENSES.

Item	Amount.
Maintenance of way and structures	\$154,365.38
Maintenance of equipment	228,771.51
Conducting transportation	798,605.82
General expenses and taxes (\$28,658.40)	87,317.87
Total	1,269,060.58
Percentage of expenses to earnings—North Carolina	75.17

COMPARATIVE GENERAL BALANCE SHEET

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Total	ASSETS.	Total	Increase.	Decrease.
\$4,975,627.53	Cost of road	\$4,975,627.53		
25,000.00	Stocks owned	25,000.00		
135,490.69	Cash and current assets	137,877.45	\$2,386.76	
5,136,118.22	Grand total	5,138,504.98	2,386.76	
	LIABILITIES.			
\$4,000,000.00	Capital stock	\$4,000,000.00		
132,827.00	Current liabilities	138,790.50	\$5,963.50	
1,003,291.22	Profit and loss	999,714.48		\$3,576.74
5,136,118.22	Grand total	5,138,504.98	2,386.76	

North Carolina Midland Railroad Company.

North Carolina Midland Railroad Co., from W. Salem, N. C., to Mocksville, N. C., (miles) 26.15.

CAPITAL STOCK.

Capital stock, common—issued at the rate of \$25,000 per mile of road.

Total amount issued and outstanding, \$820,000.

FUNDED DEBT.**MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.**

Class of bond or obligation—first mortgage.

Amount of authorized issue—issued at the rate of \$25,000 per mile of road.

Amount issued \$645,000.00

Amount outstanding 645,000.00

Rate of interest, 6 per cent—payable January and July.

Amount of interest accrued during year 26,730.00

Amount of interest credited during year 23,430.00

CURRENT ASSETS AND LIABILITIES.

Balance—current liabilities. Total \$221,725.61

Audited vouchers and accounts 206,725.61

Matured interest coupons unpaid including June 30, 1898 15,000.00

Total current liabilities 221,725.61

RECAPITULATION.**FOR MILEAGE OWNED.**

Account.	Total Amount Outstanding.	Apportionment to Railroads.	Amount per Mile of Line.	
			<i>Miles.</i>	<i>Amount.</i>
Capital stock	\$820,000.00	.....	53.15	\$15,428.00
Bonds	645,000.00	.....	53.15	12,135.00
Total	1,465,000.00	.....	53.15	27,563.00

INCOME ACCOUNT.

Gross earnings from operation	\$13,605.02	.....
Less operating expenses	20,154.44	.....
Deficit		\$6,549.42
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	26,730.00	.....
Taxes	675.05	.....
Total deductions from income		27,405.05
Deficit		33,954.47
Deficit from operations of year ending June 30, 1898		33,954.47
Deficit on June 30, 1897 [from "General Balance Sheet," 1897 Report]		186,020.87
Deficit on June 30, 1898 [for entry on "General Balance Sheet"]		219,975.34

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures during year, charged to construction or equipment	\$551.06
New bonds issued, charged to construction or equipment	255,000.00
Stock issued	170,000.00
Total cost of construction, equipment, etc., during year, not included in operating expenses	425,551.06
Total cost of construction to June 30, 1897	1,041,199.21
Total cost of construction to June 30, 1898	1,466,750.27
Total cost per mile	27,596.43

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, Etc.	Actual Earnings.
PASSENGER:			
Passenger revenue	\$4,795.81		
Less repayments—			
Excess fares refunded		\$2.41	
Total deductions		2.41	
Total passenger revenue			\$4,793.40
Mail			1,170.12
Express			256.98
Extra baggage and storage			26.40
Total passenger earnings			6,246.90
FREIGHT:			
Freight revenue	7,338.99		
Less repayments—			
Overcharge to shippers		90.00	
Total deductions		90.00	
Total freight revenue			7,248.99
Total freight earnings			7,248.99
Total passenger and freight earnings			13,495.89
OTHER EARNINGS FROM OPERATION:			
Switching charges—balance			78.05
Rents not otherwise provided for			19.46
Other sources			11.22
Total other earnings			109.13
Total gross earnings from operation—North Carolina.			13,605.02

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$5,858.06
Maintenance of equipment	1,914.58
Conducting transportation	11,861.32
General expenses	520.48
Total	20,154.44
Percentage of expenses to earnings—North Carolina	148.14

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Total.	ASSETS.	Total.	Increase.	Decrease.
\$1,041,199.21	Cost of road	\$1,466,750.27	\$425,551.06	.....
186,020.87	Profit and loss	219,075.34	33,954.47	.....
1,227,220.08	Grand total	1,686,725.61	459,505.53	.....
	LIABILITIES.			
\$650,000.00	Capital stock	\$420,000.00	\$170,000.00	.....
390,000.00	Funded debt	645,000.00	255,000.00	.....
187,220.08	Current liabilities	221,725.61	34,505.53	.....
1,227,220.08	Grand total	1,686,725.61	459,505.53	.....

State University Railroad Company.

PROPERTY OPERATED.

State University Railroad Company, from University of North Carolina to Chapel Hill (miles)

10.20

CAPITAL STOCK.

Common—Number of shares authorized	313
Par value of shares	\$100.00
Total par value authorized	31,300.00
Total amount issued and outstanding	31,300.00
Total number shares issued for construction and outstanding	313

RECAPITULATION.
FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE.	
			Miles.	Amount.
Capital Stock-----	\$31,300.00	All.	10.20	\$3,069.00
Bonds-----	-----	-----	-----	-----
Total-----	31,300.00	-----	10.20	3,069.00

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures during year not included in operating expenses—

Grand total cost construction, equipment, etc., to June 30, 1897-----	\$31,300.00
Grand total cost construction, equipment, etc., to June 30, 1898-----	31,408.78
Grand total cost construction, equipment, etc., per mile-----	3,079.29

INCOME ACCOUNT.

Gross earnings from operation-----	\$8,162.02	-----
Less operating expenses-----	10,547.08	-----
Deficit-----	-----	\$2,385.06
DEDUCTIONS FROM INCOME—		
Taxes-----	199.23	-----
Total deductions from income-----	-----	199.23
Deficit-----	-----	2,584.29
Deficit from operations of year ending June 30, 1898-----	-----	2,584.29
Deficit on June 30, 1897, [from "General Balance Sheet," 1897 Report].-----	-----	68,239.35
Deficit on June 30, 1898, [for entry on "General Balance Sheet"]-----	-----	70,823.64

OPERATING EXPENSES

Item.	Amount
Maintenance of way and structures-----	\$2,977.76
Maintenance of equipment-----	1,166.96
Conducting transportation-----	6,100.38
General expenses-----	301.98
Total-----	10,547.08
Percentage of expenses to earnings-----	129.22

EARNINGS FROM OPERATION—State of North Carolina.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$3,104.73	-----	-----
Less repayments—			
Tickets redeemed	-----	} \$7.36	-----
Excess fares refunded	-----		-----
Other repayments	-----		-----
Total deductions	-----	7.36	-----
Total passenger revenue	-----		\$3,097.37
Mail	-----		524.40
Express	-----		214.19
Extra baggage and storage	-----		31.47
Total passenger earnings	-----		3,868.43
FREIGHT—			
Freight revenue	4,306.23	-----	-----
Less repayments—			
Overcharge to shippers	-----	} 45.00	-----
Other repayments	-----		-----
Total deductions	-----	45.00	-----
Total freight revenue	-----		4,261.32
Total freight earnings	-----		4,261.32
Total passenger and freight earnings	-----		8,129.75
OTHER EARNINGS FROM OPERATION—			
Car mileage—balance	-----		28.00
Other sources	-----		4.27
Total other earnings	-----		32.27
Total gross earnings from operation—North Carolina	-----		8,162.02
Total gross earnings from operation—Entire Line	-----		8,162.02

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$31,300.00	{ Cost of road ----- }	\$31,408.78	\$108.78	-----
	{ Cost of equipment ----- }			
68,239.35	Profit and loss -----	70,823.64	2,584.29	-----
99,539.35	Grand total -----	102,232.42	2,693.07	-----
	LIABILITIES.			
31,300.00	Capital stock -----	31,300.00		-----
68,239.35	Current liabilities -----	70,932.42	2,693.07	-----
99,539.35	Grand total -----	102,232.42	2,693.07	-----

Yadkin Railroad Company.

PROPERTY OPERATED.

Yadkin Railroad Co., From Salisbury, N. C., to Norwood, N. C., 41 miles.

CAPITAL STOCK.

Capital stock : Common—Number of shares authorized -----	12,500
Par value of shares -----	\$50.00
Total par value authorized -----	625,000.00
Total amount issued and outstanding -----	625,000.00
Amount of dividends declared during year -----	None.

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of bond or obligation—First mortgage. Date of issue 1890. When due, 1935.	
Amount of authorized issued -----	\$615,000.00
Amount issued -----	615,000.00
Amount outstanding -----	615,000.00
Cash realized on amount issued -----	No record.
Rate of interest, 6 per cent. When payable, April and October.	
Amount interest accrued during year -----	36,900.00
Amount interest credited during year -----	36,900.00

CURRENT LIABILITIES.

Auditors' vouchers and accounts -----	\$298,231.27
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RECAPITULATION.
FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$625,000.00	All.	41.00	\$15,243.90
Bonds	615,000.00	do	41.00	15,000.00
Total	1,240,000.00	.....	41.00	30,243.90

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures during year not included in operating expenses	\$514.31
Grand total cost construction, equipment, etc., during year, not included in operating expenses	514.31
Grand total cost construction, equipment, etc., to June 30, 1897	1,240,961.06
Grand total cost construction, equipment, etc., to June 30, 1898	1,241,475.37
Grand total cost per mile	30,279.88

INCOME ACCOUNT.

Gross earnings from operation	\$33,156.53	.....
Less operating expenses	53,015.20	.....
Income from operation		\$141.33
Total income		141.33
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	36,900.00	.....
Taxes	811.25	.....
Total deductions from income		37,711.25
Deficit		37,569.92
Deficit from operations of year ending June 30, 1898		37,569.92
Deficit on June 30, 1897, [From "General Balance Sheet," 1897 Report].		259,185.98
Deficit on June 30, 1898, [For entry on General Balance Sheet"]		296,755.90

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$7,551.70		
Less repayments—			
Tickets redeemed		\$9.06	
Excess fares refunded			
Other repayments			
Total deductions		9.06	
Total passenger revenue			\$7,542.64
Mail			2,099.28
Express			599.66
Extra baggage and storage			52.18
Total passenger earnings			10,293.76
FREIGHT—			
Freight revenue	23,210.26		
Less repayments—			
Overcharge to shippers		370.00	
Other repayments			
Total deductions		370.00	
Total freight revenue			22,840.26
Total freight earnings			22,840.26
Total passenger and freight earnings			33,134.02
OTHER EARNINGS FROM OPERATION—			
Switching charges—balance			2.82
Rents not otherwise provided for			1.19
Other sources			18.50
Total other earnings			22.51
Total gross earnings from operation— North Carolina.			33,156.53

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$10,805.29
Maintenance of equipment	4,058.80
Conducting transportation	17,175.03
General expenses	976.08
Total	33,015.20
Percentage of expenses to earnings—North Carolina	94.57

COMPARATIVE GENERAL BALANCE SHEET.

JUNE, 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
Total.		Total.	Increase.	Decrease.
\$1,240,961.06	Cost of road	\$1,241,475.37	\$514.31	-----
259,185.98	Profit and loss	296,755.90	37,569.02	-----
1,500,147.04	Grand total	1,538,231.27	38,084.23	-----
	LIABILITIES.			
625,000.00	Capital stock	625,000.00	-----	-----
615,000.00	Funded debt	615,000.00	-----	-----
260,147.04	Current liabilities	298,231.27	38,084.23	-----
1,500,147.04	Grand total	1,538,231.27	38,084.23	-----

MISCELLANEOUS ROADS.

Aberdeen and Rockfish Railroad Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each Road named.	Miles of Line for each Class of Roads named.
	From—	To—		
Aberdeen and Rockfish Railroad.	Aberdeen	Raeford	18.25	-----
	Junction	Endon	5.25	-----
Total	-----	-----	23.50	-----

CAPITAL STOCK.

Capital Stock (\$75,606.68) common—number of shares authorized.....	2,900
Par value of shares.....	\$50.00
Total par value authorized.....	145,000.00
Total amount issued and outstanding.....	Nothing.

FUNDED DEBT.

Class of debt—Note.....	\$5,500.00
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ASSETS.

Cash.....	2,055.98
Cost of road June 30, 1897.....	47,177.69
Cost of road June 30, 1898.....	65,109.92

INCOME ACCOUNT.

Gross earnings from operation.....	\$13,874.85	
Less operating expenses.....	7,623.87	
Income from operation.....		\$6,250.98
DEDUCTIONS FROM INCOME—		
Taxes.....	448.76	
Total deductions from income.....		48.76
Net income.....		5,812.22
Surplus on June 30, 1897 [from "General Balance Sheet," 1897 Report].		15,364.30
Surplus June 30, 1898.....		21,176.52

COMPARATIVE GENERAL BALANCE SHEET.

YEAR ENDING JUNE 30, 1898.

ASSETS.

Cost of road.....	\$65,109.92
Cost of equipment.....	5,823.41
Cash and current assets.....	2,055.98
Material and supplies.....	604.77
Grand total.....	94,770.60

LIABILITIES.

Capital stock.....	89,270.06
Funded debt.....	5,500.00

OPERATING EXPENSES.

Maintenance of way and structures.....	\$2,314.64
Maintenance of equipment.....	318.11
Conducting transportation.....	2,991.12
General expenses.....	2,000.00
Grand total.....	7,623.87

Aberdeen and Asheboro Railroad Company.

PROPERTY OPEATED.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles of Line for Each Class of Roads Named.
	From—	To—		
Aberdeen and Asheboro-----	Aberdeen -----	Asheboro, N. C -----	56.00	-----
Aberdeen and Asheboro-----	Biscoe -----	Troy, N. C -----	7.50	-----
Total-----	-----	-----	63.50	-----

CAPITAL STOCK.

Capital stock, Common—number of shares authorized-----	6,500
Par value of shares-----	\$100.00
Total par value authorized-----	650,000.00
Total amount issued and outstanding-----	250,000.00
Total number shares issued and outstanding-----	2,500
Total cash realized-----	190,000.00

CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	
Cash-----	\$10,166.20
Due from agents-----	2,812.14
Due from solvent companies and individuals-----	2,500.00
Net traffic balances due from other companies-----	1,828.16
Other cash assets-----	15,017.83
Total—Cash and current assets-----	32,324.33
Balance—Current liabilities-----	1,517.37
Total-----	33,841.70
CURRENT LIABILITIES ACCRUED TO AND INCLUDING JUNE 30, 1898.	
Loans and bills payable-----	\$32,333.58
Audited vouchers and accounts-----	690.12
Wages and salaries-----	918.00
Total—Current liabilities-----	33,841.70
Total-----	33,841.70

Materials and supplies on hand, \$2,100.00.

FUNDED DEBT.

Mortgage bonds—Date of issue 1890—Due 1910—Amount issued	\$80,000.00
Interest 6 per cent; payable January and July.	
Miscellaneous obligations	32,235.80

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$7,147.41		
Total passenger revenue		\$7,147.41	
Mail		2,703.36	
Express		119.21	
Total passenger earnings			\$9,969.98
FREIGHT—			
Freight revenue	65,480.49		
Less repayments—			
Overcharge to shippers	587.64		
Other repayments to connecting roads	2,548.19		
Total deductions		3,135.83	
Total freight revenue			62,344.66
Total freight earnings			62,344.66
Total passenger and freight earnings			72,314.64
OTHER EARNINGS FROM OPERATION—			
Car mileage—balance		387.56	
Telegraph companies		428.46	
Total other earnings			876.02
Total gross earnings from operation—Entire Line.			73,130.36

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$8,018.54
Maintenance of equipment	6,689.48
Conducting transportation	17,780.77
General expenses	9,387.14
Total	41,905.93

INCOME ACCOUNT.

Gross earnings from operation	\$73,130.66	-----
Less operating expenses	41,905.98	-----
Income from operation		\$31,224.68
Total income		31,224.68
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	3,360.00	-----
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	3,281.35	-----
Taxes	1,207.67	-----
Permanent improvements	5,502.77	-----
Total deductions from income		13,351.79
Net income		17,872.89
Surplus from operations of year ending June 30, 1898	17,872.89	-----
Deficit on June 30, 1897, [From "General Balance Sheet," 1897 Report.]	27,328.20	-----
Deficit on June 30, 1898, [For entry on "General Balance Sheet"]	9,455.31	-----

COST OF ROAD AND EQUIPMENT.

Total cost of equipment	\$53,634.13
Total cost of construction, etc	202,316.90
Grand total	255,951.03

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
Total.	ASSETS.	Total.	Increase.	Decrease.
\$202,148.26	Cost of road	\$202,315.90	-----	-----
48,300.00	Cost of equipment	53,634.13	-----	-----
6,128.40	Cash and current assets	25,184.03	-----	-----
	OTHER ASSETS.			
1,600.00	Materials and supplies	2,100.00	-----	-----
258,176.66	Grand total	283,235.06	\$25,058.40	-----
	LIABILITIES.			
250,000.00	Capital stock	250,000.00	-----	-----
50,000.00	Funded debt	80,000.00	-----	-----
72,541.05	Current liabilities	33,841.70	-----	-----
	Profit and loss	8,799.35	-----	-----
372,541.05	Grand total	372,541.05	-----	-----

Atlantic and North Carolina Railroad Company.

PROPERTY OPERATED.

Goldsboro to Morehead City, N. C., 95 miles.

CAPITAL STOCK.

Capital stock: Common—number of shares authorized.....	18,000
Par value of shares.....	\$100.00
Total par value authorized.....	1,800,000.00
Total amount issued and outstanding.....	1,797,200.00
Rate of interest, 2 per cent.	
Dividends declared during year.....	35,944.00

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
Corporation bond.....	1887.	1917.	\$325,000.00	\$325,000.00	\$325,000.00	\$325,000.00
Total.....			325,000.00	325,000.00	325,000.00	325,000.00

Class of Bond or Obligation.	INTEREST.			
	Rate	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
Corporation bond.....	6 per ct.	Jan. & July	\$19,500.00	\$19,500.00
Total.....			19,500.00	19,500.00

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds.....	\$325,000.00	\$325,000.00	\$19,500.00	\$19,500.00
Total.....	325,000.00	325,000.00	19,500.00	19,500.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Cash	\$47,78'.32
Due from agents	4,677.24
Net traffic balances due from other companies	11,783.83
Total—Cash and current assets	64,242.39
Total	64,242.39

LIABILITIES.

Audited vouchers and accounts	989.83
Dividends not called for	1,674.00
Matured interest coupons unpaid	9,750.00
Total—Current liabilities	12,413.83
Balance—Cash assets	51,828.56
Total	64,242.39

INCOME ACCOUNT.

Gross earnings from operation	\$173,567.40	
Less operating expenses	90,087.76	
Income from operation		83,479.64
Total income		83,479.64
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	19,500.00	
Taxes	5,192.19	
Permanent improvements	8,659.51	
Total deduction from income		33,351.70
Net income		50,127.94
Dividends, 2 per cent, common stock	35,944.00	
Total		35,944.00
Surplus from operations of year ending June 30, 1898		14,183.94
Surplus on June 30, 1897 [from "General Balance Sheet," 1897 Report]		75,248.37
		89,432.31
Additions for year		17,224.23
Surplus on June 30, 1898 [or entry on "General Balance Sheet"]		106,656.54

RECAPITULATION.

A. FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock-----	\$1,797,200.00	-----	95.00	\$18,917.00
Bonds-----	325,000.00	-----	95.00	3,421.00
Total-----	2,122,200.00	-----	-----	22,338.00

FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt.	Total.	Amount per Mile of Line.	
				Miles.	Amount.
Atlantic and North Carolina R. R. Co.	\$1,797,200.00	\$325,000.00	\$2,122,200.00	95.00	\$22,338.00

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures-----	\$25,272.86
Maintenance of equipment-----	12,219.27
Conducting transportation-----	39,872.84
General expenses-----	12,722.79
Total-----	90,087.76

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$2,177,027.98	Cost of road-----	\$2,177,027.98		
33,085.29	Cash and current assets-----	64,242.39	\$31,157.10	
2,210,113.27	Grand total-----	2,241,270.37	31,157.10	
	LIABILITIES.			
\$1,797,200.00	Capital stock-----	1,797,200.00		
325,000.00	Funded debt-----	325,000.00		
12,664.90	Current liabilities-----	12,412.83		\$251.07
75,248.37	Profit and loss-----	106,656.54	31,408.17	
2,210,113.27	Grand total-----	2,241,270.37	31,157.10	

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	EXPENDITURES DURING YEAR.		Total Cost to June 30, 1897.	Total Cost to June 30, 1898.
	Included in Operating Expenses.	Charged to Income Ac- count as Per- manent Im- provements.		
CONSTRUCTION—				
Right of way and station grounds.	\$12,063.90			
Real estate		\$700.00		
Bridges, trestles, and culverts	3,603.03	5,587.06		
Ties	7,862.20			
Frogs and switches.	270.30			
Track laying and surfacing new siding.		310.11		
Crossings, cattle-guards, and signs.	378.66	256.11		
Station buildings and fixtures.	25.86	1,106.97		
Shops, round-houses and turn- tables.	56.90			
Shop machinery and tools.	370.07			
Water stations }	1,203.35			
Fuel stations }				
Docks and wharves	194.05			
Miscellaneous structures, track scales and sewer.		699.26		
Legal expenses	3,350.83			
Total construction	29,379.15	8,659.51	\$2,177,027.98	\$2,177,027.98
EQUIPMENT—				
Locomotives	4,089.43			
Passenger cars	2,795.65			
Freight cars	3,300.09			
Total equipment	10,185.17			
Total construction	29,379.15	8,659.51	2,177,027.98	2,177,027.98
Grand total cost construction, equipment, etc.	39,564.32	8,659.51	2,177,027.98	2,177,027.98

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$52,991.72		
Total passenger revenue			\$52,991.72
Mail	8,738.28		
Express	11,467.93		
			20,206.21
Total passenger earnings			73,197.93
FREIGHT—			
Freight revenue	100,570.89		
Less repayments—			
Overcharge to shippers		\$950.47	
Total deductions		950.47	
Total freight revenue			99,620.42
Total freight earnings			99,620.42
Total passenger and freight earnings			172,818.35
OTHER EARNINGS FROM OPERATION—			
Rents not otherwise provided for	307.50		
Other sources	431.55		
Total other earnings			739.05
Total gross earnings from operation—North Carolina			173,557.40
Total gross earnings from operation—Entire Line.			173,557.40

EMPLOYEES AND SALARIES.

Class.	Number.	Total Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General administration	6	2,160	\$6,300.00	\$2.92
Maintenance of way and structures	58	18,576	13,785.60	.74
Maintenance of equipment	33	10,776	16,321.20	1.51
Conducting transportation	106	22,654	18,598.64	.82
Total (including "General Officers") North Carolina.	203	54,166	55,003.44	1.02
Less "General Officers"	4	1,440	5,100.00	3.54
Total (excluding "General Officers") North Carolina.	199	52,726	49,903.44	.95

PASSENGER AND FREIGHT, AND TRAIN MILEAGE—Entire Line.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
PASSENGER TRAFFIC:				
Number of passengers carried earning revenue -----	57,246	<i>Dollars</i>	<i>Cents</i>	<i>Mills.</i>
Number passengers carried one mile -----				
Number passengers carried one mile per mile of road -----				
Average distance carried -----				
Total passenger revenue -----		\$52,991	72	
Average amount received from each passenger -----			93	
Average receipts per passenger per mile -----				
Total passenger earnings -----		73,197	93	
Passenger earnings per mile of road -----		770	51	
Passenger earnings per train mile -----		1	09	330
FREIGHT TRAFFIC:				
Number of tons carried of freight earning revenue -----	92,024			
Number of tons carried one mile -----				
Number of tons carried one mile per mile of road -----				
Average distance haul of one ton -----				
Total freight revenue -----		99,620	42	
Average amount received for each ton of freight -----		1	08	255
Average receipts per ton per mile -----				
Total freight earnings -----		99,620	42	
Freight earnings per mile of road -----		1,048	64	
Freight earnings per train mile -----		1	92	347
PASSENGER AND FREIGHT:				
Passenger and freight revenue -----		152,612	14	
Passenger and freight revenue per mile of road -----		1,606	44	
Passenger and freight earnings -----		172,818	35	
Passenger and freight earnings per mile of road -----		1,819	14	
Gross earnings from operation -----		173,557	40	
Gross earnings from operation per mile of road -----		1,826	91	
Gross earnings from operation per train mile -----		1	46	387
Operating expenses -----		90,087	76	
Operating expenses per mile of road -----		918	26	
Operating expenses per train mile -----			76	845
Income from operation -----		83,479	64	
Income from operation per mile of road -----		878	70	

Caldwell and Northern Railroad Company.

PROPERTY OPERATED

Lenoir, N. C., to Collettsville, N. C., main line (miles)	10.60
Capital stock	\$80,500.00
Cost of road	78,024.64
Cost of equipment	5,868.69
Cost of construction per mile	7,360.81
Cost of construction and equipment per mile	7,914.46
Gross earnings	5,407.29
Operating expenses	7,334.75
Miscellaneous liabilities	8,234.90

Cape Fear and Yadkin Valley Railway Company.

Name.	TERMINALS.		Miles of Line for each Road Named.	Miles of Line for each Class of Roads Named.
	From—	To—		
Main line	Wilmington, N. C.	Mt. Airy, N. C.		248.28
Bennettsville branch	S. C. State line	Fayetteville, N. C.	46.75	
Factory branch	Climax, N. C.	Ramseur, N. C.	18.74	
Madison branch	Stokesdale, N. C.	Madison, N. C.	11.39	
Granite branch	Mt. Airy, N. C.	Flat Rock Q'y, N. C.	2.02	
Furnace branch	Greensboro, N. C.	Proximity M'ls, N. C.	2.02	
Aldrich branch	Sanford, N. C.	Aldrich Q'y, N. C.	.94	
Cape Fear Buff branch	Gulf, N. C.	Cape Fear Buff Quarry, N. C.	1.10	82.96
South Carolina Pacific Railway Company.	South Carolina State line.	Bennettsville, S. C.		10.50

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.	DIVIDENDS DECLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common	3,000,000	\$100.00	\$3,000,000.00	\$1,972,900.00	-----	-----
Total-----	-----	-----	-----	-----	-----	-----

Manner of Payment for Capital Stock.	Number of Shares Issued During Year.	Cash Realized on Amount Issued During Year.	Total Number Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common-----	-----	-----	10,033.00	\$1,003,000.00
Issued for construction—Common-----	-----	-----	9,696.00	969,600.00
Total-----	-----	-----	19,729.00	1,972,900.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.	Amount.
Cash-----	\$221,924.70
Due from agents-----	8,182.94
Due from solvent companies and individuals-----	12,236.62
Net traffic balances due from other companies-----	7,678.31
Other cash assets [excluding "materials and supplies"]*-----	11,561.19
Total—Cash and current assets-----	261,583.76
Balance—Current liabilities-----	206,983.29
Total-----	468,567.05

LIABILITIES.	
Audited vouchers and accounts-----	39,304.84
Wages and salaries-----	20,255.60
Matured interest coupons unpaid (including coupons due July 1)-----	1,611.00
Miscellaneous-----	407,395.61
Total—Current liabilities-----	468,567.05
Total-----	468,567.05

* Materials and supplies on hand, \$15,422.04.

FUNDED DEBT.

MORTGAGE BONDS, MISCELLANEOUS OBLIGATIONS, AND INCOME BONDS.

Class of Bond or Obligation.	TIME.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
	Date of Issue.	When Due.				
First Mortgage -----	1886 June 1.	1916 June 1.				
Series A -----			\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00
B -----			734,000.00	734,000.00	734,000.00	734,000.00
C -----			820,000.00	820,000.00	820,000.00	820,000.00
Consolidated Mortgage -----	1889 Oct. 1.	1919 Oct. 1.	1,868,700.00	1,868,700.00	1,868,700.00	1,868,700.00
TOTAL—						
Mortgage bonds -----			3,054,000.00	3,054,000.00	3,054,000.00	3,054,000.00
Income bonds -----			1,868,700.00	1,868,700.00	1,868,700.00	1,868,700.00
Grand total -----			4,922,700.00	4,922,700.00	4,922,700.00	4,922,700.00

Class of Bond or Obligation.	INTEREST			
	Rate per Cent.	When Payable.	Amount Accrued During Year.	Amount Paid During Year.
First Mortgage -----				
Series A -----	6	{ June 1 and Dec. 1 }	\$90,000.00	-----
B -----	6		44,040.00	-----
C -----	6		49,200.00	-----
Consolidated mortgage -----	6	{ April 1 and Oct. 1. }	When	earned.
TOTAL—				
Mortgage bonds -----	6		183,240.00	-----
Income bonds -----			When	earned.
Grand total -----				-----

RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued During Year.	Amount Paid During Year.
Mortgage bonds -----	\$3,054,000.00	\$3,054,000.00	\$183,240.00	-----
Income bonds -----	1,868,700.00	1,868,700.00	Payable	when earned.
Total -----	4,922,700.00	4,922,700.00	183,220.00	-----

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Expenditures During Year	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
CONSTRUCTION—				
Right of way and station grounds		\$1,573.75	\$1,573.75	\$4.75
Real estate		341.00	341.00	1.03
Grading		14,919.16	14,919.16	45.04
Bridges, trestles and culverts		9,184.64	9,184.64	27.73
Ties		2,094.61	2,094.61	6.32
Track laying and surfacing		28,371.59	28,371.59	85.65
Fencing right of way		240.18	240.18	.73
Telegraph lines		66.92	66.92	.20
Station buildings and fixtures		11,666.10	11,666.10	35.21
Shop machinery and tools		586.21	586.21	1.77
Docks and wharves		3,070.30	3,070.30	9.28
Miscellaneous structures		2,269.12	2,269.12	6.85
Road built by contract		6,744,765.25	6,744,765.25	20,362.17
General expenses		273.84	273.84	.83
Total construction		6,819,422.67	6,819,422.67	20,587.56
EQUIPMENT—				
Locomotives		151,850.46	151,850.46	458.43
Passenger cars		68,352.73	68,352.73	206.35
Baggage, express and postal cars		298.53	298.58	.90
Freight cars		293,386.42	293,386.42	885.72
Other cars of all classes		559.88	559.88	1.69
Floating equipment		758.77	758.77	2.29
Total equipment		515,206.84	515,206.84	1,553.38
Total construction		6,819,422.67	6,819,422.67	20,587.56
Grand total cost construction, equipment, etc		7,334,629.51	7,334,629.51	22,142.94
Total cost construction, equip- ment, etc., North Carolina		7,334,629.51	7,334,629.51	22,142.94

RECAPITULATION.

A. FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportion- ment to Railroads.	AMOUNT PER MILE OF LINE.	
			Miles.	Amount.
Capital stock	\$1,972,900.00	\$1,972,900.00	331.24	\$5,956.00
Bonds	4,922,700.00	4,922,700.00	331.24	14,861.00
Total	6,895,600.00	6,895,600.00	331.24	20,817.00

RECAPITULATION—Continued.

B. FOR MILEAGE OPERATED.

Name of Road	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
The Cape Fear and Yadkin Valley Railway Co..	\$1,972,900.00	\$4,922,700.00	\$6,895,600.00	331.24	\$20,817.90
The South Carolina Pacific Railway Co	100,000.00	104,600.00	204,600.00	10.59	19,486.00
Total	2,072,900.00	5,027,300.00	7,100,200.00	341.74	20,776.00

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$104,383.22		
Less repayments—			
Tickets redeemed		\$155.13	
Other repayments		7.06	
Total deductions		162.19	
Total passenger revenue			\$104,221.03
Mail			26,826.76
Express			7,500.00
Extra baggage and storage			1,044.00
Total passenger earnings			139,591.79
FREIGHT—			
Freight revenue	462,613.10		
Less repayments—			
Overcharge to shippers		6,204.52	
Total freight revenue			456,408.58
Total freight earnings			456,408.58
Total passenger and freight earnings			596,000.37
OTHER EARNINGS FROM OPERATION—			
Rents not otherwise provided for			795.85
Other sources			398.99
Total other earnings			1,194.84
Total gross earnings from operation—North Carolina			597,195.21

OPERATING EXPENSES.

Item.	Amount.
OPERATING EXPENSES—STATE OF NORTH CAROLINA.	
Maintenance of way and structures	\$150,537.78
Maintenance of equipment	55,912.19
Conducting transportation	223,378.63
General expenses	47,263.00
Total	477,091.60
Percentage of expenses to earnings—North Carolina	79.89

INCOME ACCOUNT.

Gross earnings from operation	\$597,195.21	.....
Less operating expenses	477,091.60	.....
Income from operation		\$120,103.61
Total income		120,103.61
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	183,240.00	.....
Rents paid for lease of road	6,276.00	.....
Taxes	18,302.60	.....
Total deductions from income		207,818.60
Deficit		87,714.99
Deficit from operations of year ending June 30, 1898		87,714.99
Deficit on June 30, 1897, [from "General Balance Sheet," 1897 Report]		484,795.74
Additions for year		572,510.73
Deductions for year		27.40
Surplus on June 30, 1898, [for entry on "General Balance Sheet"		572,531.13

RENTALS PAID.

A. RENTS PAID FOR LEASE OF ROAD.

Name.	Interest on Bonds Guaranteed.	Cash.	Total.
South Carolina and Pacific Railway Company-----	\$6,276.00	\$6,276.00	\$6,276.00

B. RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
TERMINALS—				
	Greensboro, N. C -----	Southern Railway-----		\$168.75
Grand total rents—B.	-----	-----		168.75

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		JUNE 30, 1898.	YEAR ENDING JUNE 30, 1898.	
Total.	Assets.	Total.	Increase.	Decrease.
\$6,819,422.67	Cost of road-----	\$6,819,422.67		
515,208.84	Cost of equipment-----	515,208.84		
4,580.61	Other permanent investments-----	4,580.61		
145,400.63	Cash and current assets-----	261,583.76	\$116,183.13	
	OTHER ASSETS.			
15,883.41	Materials and supplies-----	15,422.04		\$466.37
484,795.74	Profit and loss-----	572,531.13	87,735.39	
7,985,294.90	Grand total-----	8,188,747.05	203,452.15	
	LIABILITIES.			
1,972,900.00	Capital stock-----	1,972,900.00		
4,922,700.00	Funded debt-----	4,922,700.00		
448,351.90	Current liabilities-----	468,567.05	20,212.15	
641,340.00	Accrued interest on funded debt not yet payable, 4 years and 6 months from December 1, 1893, to June 1, 1898.	824,580.00	183,240.00	
7,985,294.90	Grand total-----	8,188,747.05	203,452.15	

PASSENGER AND FREIGHT, AND TRAIN MILEAGE.

Item.	Column for Tonnage, No. Passen- gers, No. Trains, Mileage, No. Cars.	Columns for Revenue and Rates.		
		Dollars.	Cents	Mills.
PASSENGER TRAFFIC—				
Number of passengers carried earning revenue.....	131,968	-----	-----	-----
Number of passengers carried one mile.....	6,480,614	-----	-----	-----
Number of passengers carried one mile per mile of road.....	18,964	-----	-----	-----
Average distance carried	4.911	-----	-----	-----
Total passenger revenue		104,221	03	-----
Average amount received from each passenger.....		-----	78	974
Average receipts per passenger per mile.....		-----	01	608
Total passenger earnings		139,591	79	-----
Passenger earnings per mile of road.....		408	47	-----
Passenger earnings per train mile.....		-----	56	052
FREIGHT TRAFFIC—				
Number of tons carried of freight earning revenue.....	360,032	-----	-----	-----
Number of tons carried one mile	33,282,356	-----	-----	-----
Number of tons carried one mile per mile of road	97,391	-----	-----	-----
Average distance haul of one ton.....	92.44	-----	-----	-----
Total freight revenue		456,408	58	-----
Average amount received for each ton of freight		1	26	769
Average receipts per ton per mile.....		-----	1	371
Total freight earnings.....		456,408	58	-----
Freight earnings per mile of road.....		1,335	54	-----
Freight earnings per train mile		1	47	199
PASSENGER AND FREIGHT—				
Passenger and freight revenue		500,639	61	-----
Passenger and freight revenue per mile of road.....		1,640	51	-----
Passenger and freight earnings		596,000	37	-----
Passenger and freight earnings per mile of road		1,744	01	-----
Gross earnings from operation		597,195	21	-----
Gross earnings from operation per mile of road.....		1,747	51	-----
Gross earnings from operation per train mile.....		1	06	813
Operating expenses		477,091	60	-----
Operating expenses per mile of road.....		1,396	07	-----
Operating expenses per train mile		-----	85	332
Income from operation		120,103	61	-----
Income from operation per mile of road.....		351	44	-----

Carthage Railroad Company.

PROPERTY OPERATED.

Carthage Railroad—from Cameron to Hallison (miles)	18.50
--	-------

CAPITAL STOCK.

Common—Number of shares authorized	10,000
Par value of shares	\$25.00
Total par value authorized	250,000.00
Total amount issued and outstanding	16,050.00

MANNER OF PAYMENT FOR CAPITAL STOCK.

Total number shares issued and outstanding for reorganization—common	642
Total cash realized, issued for reorganization—common	16,050.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Cash	\$25,935.52
------------	-------------

LIABILITIES.

Loans and bills payable	3,000.00
-------------------------------	----------

FUNDED DEBT.

Mortgage bonds	\$10,000.00
Interest paid during year	300.00

COST OF ROAD AND EQUIPMENT.

Equipment	\$11,000.00
Construction	68,400.00
Construction and equipment per mile	4,275.67

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$4,307.77
Maintenance of equipment	3,435.83
Conducting transportation	7,239.98
General expenses	1,806.00
Total	16,789.58

INCOME ACCOUNT.

Gross earnings from operation	\$21,605.29	-----
Less operating expenses	14,107.18	-----
Income from operation		\$7,498.11
Total income		7,498.11
DEDUCTIONS FROM INCOME—		
Rents paid for lease of road	1,440.00	-----
Taxes	392.40	-----
Permanent improvements	850.00	-----
Total deductions from income	2,682.40	-----
Net income		4,815.71
Surplus from operations of year ending June 30, 1898		4,815.71
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report]		21,119.81
Additions for year		4,815.71
Surplus on June 30, 1898, [for entry on "General Balance Sheet"]		25,935.52

RENTALS PAID.

Name of road—Carthage Railroad..... \$1,440.00

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
Cost of road		\$68,400.00	\$27,000.00	-----
Cost of equipment		11,000.00	2,400.00	-----
Grand total		79,400.00	29,400.00	-----
	LIABILITIES.			
Capital stock		16,050.00		-----
Current liabilities		10,000.00		-----
Profit and loss		4,815.71		2,305.52
Grand total				-----

Carolina and Northwestern Railway Company.

Carolina and Northwestern Railway Company, from S.C. Line to Lenoir (miles).....	62.40
Entire line, Chester to Lenoir (miles)	109.30

CAPITAL STOCK.

Capital stock: Common—number of shares authorized	7,000
Par value of shares	\$50.00
Total par value of shares authorized	350,000.00
Total amount issued and outstanding	200,000.00

All issued for reorganization.

FUNDED DEBT.

First mortgage bonds—date of issue, 1897; due, 1927.	
Amount issued	\$450,000.00
Rate of interest 5 per cent, payable May, November, January, and July.	
Income bonds	25,000.00
Equipment trust obligations	1,666.67

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Cash	\$7,144.32
Bills receivable	883.67
Due from agents	2,632.52
Due from solvent companies and individuals	1,831.04
Total cash and current assets	12,491.55
Balance—current liabilities	1,285.78
Total	13,777.33

LIABILITIES.

Loans and bills payable	8,666.67
Audited vouchers and accounts	1,149.67
Wages and salaries	3,348.80
Net traffic balances due to other companies	87.19
Matured interest coupons unpaid (including coupons due July 1)	525.00
Total—current liabilities	13,777.34

Materials and supplies on hand, \$2,547.47.

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment.	Total Cost to June 30, 1897	Total Cost to June 30, 1898.	Cost Per Mile.
CONSTRUCTION—				
Engineering	\$125.15	\$585.00	\$710.15	\$6.40
Right of way and station grounds		364.14	364.14	3.34
Real estate		9.10	9.10	.08
Grading	73.32	398.51	471.83	4.31
Bridges, trestles and culverts	1,869.67	570.30	2,439.97	22.32
Ties	7.74	470.13	477.87	4.37
Rails	914.43	1,828.40	2,742.83	25.09
Frogs and switches	70.10		70.10	.64
Ballast	181.60	248.21	429.81	3.93
Track laying and surfacing	780.81	2,045.75	2,826.56	25.85
Station buildings and fixtures	892.56	1,935.36	2,827.92	25.86
Shop machinery and tools	327.86	941.86	1,269.72	11.69
Water stations	244.13		244.13	2.23
Miscellaneous structures		37.69	37.69	.34
Total construction	5,487.37	9,434.45	14,921.82	136.45
EQUIPMENT—				
Locomotives	622.06	8,357.78	8,979.84	82.15
Passenger cars	1,602.49	6,309.36	7,911.85	72.38
Baggage, express and postal cars	32.80	245.51	278.31	2.54
Freight cars	726.51	6,048.69	6,775.20	61.98
Total equipment	2,983.86	20,961.34	23,945.20	219.05
Total construction	5,487.37	9,434.45	14,921.82	136.45
Grand total cost construction, equip- ment, etc	8,471.23	30,395.79	38,867.02	355.50
Total cost construction, equipment, etc.—North Carolina	5,591.01	20,061.22	25,652.23	355.50

INCOME ACCOUNT.

Gross earnings from operation	\$75,999.97	
Less operating expenses	49,921.74	
Income from operation		\$26,078.23
Total income		26,078.23
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	316.50	
Taxes	1,502.85	
Permanent improvements	5,591.01	
Total deductions from income		7,440.36
Net income		18,637.87
Surplus from operations of year ending June 30, 1898		18,075.14
Surplus on June 30, 1897, [From "General Balance Sheet," 1897 Report]		5,406.73
Deficit on June 30, 1898, [For entry on General Balance Sheet]		23,481.87

EARNINGS FROM OPERATION.

Item.	Total Receipts	Deductions, Account of Repayments, Etc.	Actual Earnings
PASSENGER:			
Passenger revenue	\$20,116.50		
Total passenger revenue			\$20,116.50
Mail	\$4,394.89		
Express	778.14		
Extra baggage and storage	182.91		
Total passenger earnings			5,355.97
			25,472.47
FREIGHT:			
Freight revenue	47,566.63		
Total freight revenue			47,566.63
Total freight earnings			47,566.63
Total passenger and freight earnings			73,039.10
OTHER EARNINGS FROM OPERATION:			
Other sources			2,960.87
Total gross earnings from operation—North Carolina			75,999.97
Total gross earnings from operation—Entire Line			115,151.45

OPERATING EXPENSES—Entire Line.

Item.	Amount.
OPERATING EXPENSES—ENTIRE LINE.	
Maintenance of way and structures	\$18,441.15
Maintenance of equipment	7,074.65
Conducting transportation	45,247.54
General expenses	4,874.75
Total	75,638.09
OPERATING EXPENSES—STATE OF NORTH CAROLINA.	
Maintenance of way and structures	12,171.16
Maintenance of equipment	4,669.27
Conducting transportation	29,863.38
General expenses	3,217.33
Total	49,921.14
Percentage of expenses to earnings—North Carolina	65.68

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$9,434.45	Cost of road	\$14,921.82	\$5,487.37	
20,961.34	Cost of equipment	23,945.20	2,983.86	
13,882.12	Cash and current assets	12,491.55		\$1,390.57
	OTHER ASSETS.			
2,786.92	Materials and supplies	2,547.47		239.45
47,004.83	Grand total—Entire Line	53,906.04		
31,023.29	Grand total—North Carolina	35,577.99		
	LIABILITIES.			
\$350,000.00	Capital stock	\$350,000.00		
450,000.00	Funded debt	450,000.00		
22,364.50	Current liabilities	1,285.78		
	Accrued interest on funded debt and yet payable.	525.00		
8,192.02	Profit and loss	35,577.08		
830,556.52	Grand total	837,387.86		

RENTALS PAID.

RENTS PAID FOR LEASE OF TRACKS, YARDS AND TERMINALS.

Designation of Property.	Situati n of Property Leased.	Name of Company Own- ing Property Leased.	Item.	Total.
TRACKS—				
Third rail	Between Newton and Hickory.	Southern	\$3,600.00	-----
Total	-----	-----	-----	\$3,600.00
TERMINALS—				
Depot	Hickory, N. C	Southern	} 1,002.71	-----
	Newton, N. C	Southern		-----
Total	-----	-----	-----	1,002.71
Grand total rents ..	-----	-----	-----	4,602.71

Cashie and Chowan Railroad and Lumber Company.

PROPERTY OPERATED.

Main terminal at Howard, N. C, on Cashie River—runs toward Chowan River—

Main Line (miles)	19.00
Sidings (miles)	10.00
Capital stock	\$100,000.00
Cost of road	48,000.00
Cost of equipment	20,000.00
Gross earnings	12,000.00
Operating expenses	12,000.00
Employees	23

Road proper is allowed only enough to pay expenses.

Danville, Mocksville and Southwestern Railroad Company.

PROPERTY OPERATED.

Mocksville Junction to Leaksville (miles)	8
Capital stock	\$50,300.00
Cost of road	102,944.24
Cost of construction per mile	12,868.00
Gross earnings	2,591.89

East Tennessee and Western North Carolina Railroad Company.

PROPERTY OPERATED IN NORTH CAROLINA.

Cranberry Iron and Coal Company (operated by East Tennessee and Western North Carolina R. R. Co.), from Cranberry to State Line (miles)	3
Entire Line—Johnson City, Tenn., to Cranberry (miles)	34
Capital stock—Entire line	\$501,900.00
Capital stock—North Carolina	44,285.30
Funded debt—Entire line	250,000.00
Funded debt—North Carolina	22,058.00
Cost of road—Entire line	691,498.76
Cost of road—North Carolina	61,014.57
Cost of equipment—Entire line	73,876.82
Cost of equipment—North Carolina	6,518.55
Gross earnings—Entire line	43,534.36
Gross earnings—North Carolina	3,841.26
Operating expenses—Entire line	37,482.81
Operating expenses—North Carolina	3,307.32
Cost of construction (per mile)	19,880.09
Cost of construction and equipment (per mile)	22,052.94

Egypt Railway Company.

PROPERTY OPERATED.

Cumnock to Colon (miles)	8
Capital stock	\$125,000.00
Funded debt	108,000.00
Cost of road	226,227.31
Cost of equipment	25,376.52
Gross earnings	8,294.42
Operating expenses	4,053.52
Construction per mile	28,278.41
Construction and equipment per mile	31,450.47

Hendersonville and Brevard Railway, Telegraph and Telephone Company.

PROPERTY OPERATED.

Hendersonville to Brevard, 21.60.

Road sold under order of court July, 1897, and bought by Trustees appointed by the Court to represent judgment creditors. First lien creditors \$60,000.

Gross earnings.....	\$9,782.00
Operating expenses	9,306.00

Moore County Railroad Company.

PROPERTY OPERATED.

Moore County Railroad, from Aberdeen, N. C., to Craigrownie, N. C. Miles 12.50.

CAPITAL STOCK.

Common—Number of shares authorized.....	2,000
Par value of shares.....	\$50.00
Total par value authorized.....	1,000,000.00
Total amount issued and outstanding.....	38,950.00
Issued for cash—common—total number shares issued and outstanding	779
Total cash realized.....	38,950.00

CURRENT ASSETS AND LIABILITIES.

ASSETS.

Cash	\$2,149.76
Due from solvent companies and individuals	1,087.50
Due from agents.....	143.90
Total, cash and current assets.....	3,381.16

LIABILITIES.

Audited vouchers and accounts	18.47
Miscellaneous	5,000.00
Total—current liabilities.....	5,018.47
Materials and supplies on hand, \$195.00.	

COST OF ROAD AND EQUIPMENT.

Construction.....	\$44,765.70
Equipment	8,700.00
Total	53,465.70
Cost per mile, \$4,277.25.	

INCOME ACCOUNT—Entire Line.

Gross earnings from operation.....	\$13,725.22	
Less operating expenses.....	11,646.52	
Income from operation.....		\$2,078.70
Total income.....		2,078.70
DEDUCTIONS FROM INCOME:		
Net income.....		2,078.70
Surplus from operations of year ending June 30, 1898.....		2,078.70
Surplus on June 30, 1897, [from "General Balance Sheet," 1897 Report].		7,289.94
Surplus on June 30, 1898 [for entry on "General Balance Sheet"].....		9,368.64

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures.....	\$1,675.16
Maintenance of equipment.....	793.95
Conducting transportation.....	7,927.41
General expenses.....	1,400.00
Total.....	11,646.52

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.		YEAR ENDING JUNE 30, 1898.		
		Total	Increase.	Decrease.
Total.	ASSETS.			
\$41,727.17	Cost of road.....	\$14,700.00	\$272.83	
5,781.25	Cost of equipment.....	8,700.00	2,918.75	
140.70	Lands owned.....	65.70		\$75.00
3,806.81	Cash and current assets.....	3,381.16		425.68
	OTHER ASSETS.			
312.76	Materials and supplies.....	195.00		117.76
54,468.72	Grand total.....	57,041.86	3,191.78	618.44
	LIABILITIES.			
38,950.00	Capital stock.....	38,950.00		
4,765.03	Current liabilities.....	5,018.47	253.44	
3,463.75	Reserve fund.....	3,704.75	241.00	
7,289.94	Profit and loss.....	9,368.64	2,078.70	
54,468.72	Grand total.....	57,041.86	2,573.14	

Northampton and Hertford Railroad Company.

PROPERTY OPERATED.

From Gumberry to Jackson, N. C., (miles)----- 9

CAPITAL STOCK.

Capital stock : Common—Number of shares authorized	250
Par value of shares	\$100.00
Total par value authorized	25,000.00
Total amount issued and outstanding	25,000.00
Issued for construction—common—total number shares issued during year	250
Cash realized on amount during year	100.00
Total number shares issued and outstanding	25,000.00

CURRENT ASSETS AND LIABILITIES.

Due from solvent companies..... \$4,283.76

COST OF ROAD AND EQUIPMENT.

Equipment	\$5,100.00
Construction	25,011.23
Total	30,111.23
Gross earnings	13,590.11
Operating expenses	8,774.79
Income from operation	4,815.32

Norfolk and Southern Railroad Company.

PROPERTY OPERATED.—Entire Line.

Name.	TERMINALS.		Miles of Line for Each Road Named.	Miles Line for Each Class Roads Named.
	From—	To—		
Norfolk & Southern R. R. Co.	Berkley, Va	Edenton, N. C	73.05	-----
	Mackey's Ferry, N. C.	Belhaven, N. C	29.80	-----
Total	-----	-----	-----	102.85

CAPITAL STOCK.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.	DIVIDENDS DECLARED DURING YEAR.	
					Rate.	Amount.
Capital stock—Common—	20,000	\$100.00	\$2,000,000.00	\$2,000,000.00	4 per ct.	\$80,000.00
Total -----	20,000	100.00	2,000,000.00	2,000,000.00	4 per ct.	80,000.00

Manner of Payment for Capital Stock.	Total Number Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—Common -----	594.90	\$23,796.00
Issued for reorganization—common -----	18,530.10	1,853,010.00
Issued for purchase of Albemarle and Pantego Railroad Co.	875.00	87,500.00
Total -----	20,000.00	1,964,306.00

FUNDED DEBT.

MORTGAGE BONDS.

Class of bond or mortgage—First mortgage. Date of issue, June 1, 1891. When due, June 1, 1941.	
Amount of authorized issue per mile of road -----	\$ 0,000.00
Amount issued -----	750,000.00
Amount outstanding -----	750,000.00
Cash realized on amount issued -----	745,050.00
Amount interest accrued during year -----	37,500.00
Amount interest paid during year -----	37,500.00
Rate of interest, 5 per cent. When payable, May 1st and November 1st.	

RECAPITULATION.

A. FOR MILEAGE OWNED.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	AMOUNT PER MILE.	
			Miles.	Amount.
Capital Stock -----	\$2,000,000.00	-----	102.85	\$19,445.79
Bonds -----	750,000.00	-----	-----	7,292.17
Total -----	2,750,000.00	-----	102.85	26,737.96

RECAPITULATION.

B. FOR MILEAGE OPERATED.

Name of Road.	Capital Stock.	Funded Debt.	Total.	AMOUNT PER MILE OF LINE.	
				Miles.	Amount.
Norfolk & Southern R. R. Co.	\$2,000,000.00	\$750,000.00	\$2,750,000.00	102.85	\$26,737.96
Total	2,000,000.00	750,000.00	2,750,000.00	102.85	26,737.96

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Expenditures during year, charged to income account as permanent improvement	\$8,308.60
Total cost of construction to June 30, 1897	2,770,000.00
Total cost of construction to June 30, 1898	2,765,000.00

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$493,528.81	
Less operating expenses	328,566.67	
Income from operation		\$164,962.14
Miscellaneous income—less expenses		8,512.32
Total income		173,474.46
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	37,500.00	
Interest on real estate mortgages	982.64	
Taxes	14,276.64	
Total deductions from income		52,759.28
Net income		120,715.18
Dividends, 4 per cent common stock	80,000.00	
One note from bills payable	5,000.00	
Real estate	3,308.60	
Total		88,308.60
Surplus from operations of year ending June 30, 1898		32,406.58
Surplus on June 30, 1897 [from "General Balance Sheet," 1897 Report].		136,026.60
Surplus on June 30, 1898 [for entry on "General Balance Sheet"]		168,433.18

STOCKS OWNED.

Name—Norfolk and Portsmouth Belt Line Railroad—Valuation	\$6,200.00
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EARNINGS FROM OPERATION—North Carolina.

Item.	Total Receipts	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$76,229.36		
Less repayments—			
Tickets redeemed		\$99.76	
Excess fares refunded			
Other repayments			
Total deductions		99.76	
Total passenger revenue			\$76,129.60
Mail	10,924.69		
Express	4,032.56		
Extra baggage and storage	828.61		
Other items	1,038.80		
			16,824.66
Total passenger earnings			92,954.26
FREIGHT—			
Freight revenue	347,491.10		
Less repayments—			
Overcharge to shippers		3,269.70	
Other repayments			
Total deductions		3,269.70	
Total freight revenue			344,221.40
Terminals	22,331.92		
Ligherage	24,409.89		
Coal sales	4,950.59		
Other items	4,270.79		
			55,963.19
Total freight earnings			400,187.59
Total passenger and freight earnings			493,141.85
OTHER EARNINGS FROM OPERATION—			
Car mileage	157.42		
Telegraph companies	229.54		
Total other earnings			386.96
Total gross earnings from operation—North Carolina.			387,721.22
Total gross earnings from operation—Entire Line.			493,528.81

MISCELLANEOUS INCOME.

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Operating company's steamers	\$33,305.83	\$29,248.68	\$4,057.15
Old material			2,592.56
Rents and leases			486.68
Interest on deposits			1,375.93
Total			8,512.32

OPERATING EXPENSES.—Entire Line.

Item	Amount.
Maintenance of way and structures	\$90,059.04
Maintenance of equipment	49,113.41
Conducting transportation	159,459.02
General expenses	29,935.20
Total	328,566.67
Percentage of expenses to earnings—Entire line	66.57

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$2,770,000.00	Cost of road	\$2,765,000.00		\$5,000.00
	Stocks owned	6,200.00	\$6,200.00	
134,297.21	Cash and current assets	147,772.24	13,475.03	
	OTHER ASSETS.			
25,099.28	Materials and supplies	27,713.02	2,613.74	
2,919.87	Sundries	2,940.34	20.47	
31,605.00	Str. Neuse guarantor account	37,605.00	6,000.00	
2,963,921.36	Grand total	2,987,230.60	28,309.24	5,000.00
	LIABILITIES.			
\$2,000,000.00	Capital stock	\$2,000,000.00		
750,000.00	Funded debt	750,000.00		
53,983.11	Current liabilities	44,885.77		9,097.34
136,026.60	Profit and loss	168,433.18	32,406.58	
23,911.65	Balance Receiver's account	23,911.65		
2,963,921.36	Grand total	2,987,230.60	32,406.58	9,097.34

New Hanover Transit Company.

PROPERTY OPERATED.

Cape Fear River to Atlantic Ocean.

Capital stock	\$8,650.00
Funded debt.....	2,500.00
Cost of road.....	5,000.00
Gross earnings.....	1,962.66
Operating expenses	1,082.35

Red Springs and Bowman Railroad Company.

ROAD OPERATED.

Red Springs to Bowman, miles.....	11
Junction to Turnpike, miles.....	9
Total, miles	20
Cost of road.....	\$34,000.00
Cost of equipment.....	4,000.00
Gross earnings	5,690.00
Operating expenses	4,400.00

Suffolk and Carolina Railway Company.

PROPERTY OPERATED.

From Suffolk, Va., to Montrose, N. C., 39 miles.
25 miles in North Carolina.

CAPITAL STOCK.

Capital stock, Common—Number of shares authorized	5,000
Par value of shares.....	\$100.00
Total par value authorized.....	500,000.00
Total amount issued and outstanding.....	400,000.00
Rate of interest, 2 per cent. Amount of dividends declared during year.....	8,000.00

FUNDED DEBT.**MORTGAGE BONDS**

Class of bond or mortgage—general first mortgage. Date of issue, April, 1886.

Amount of authorized issue	\$150,000.00
Amount issued	140,000.00
Amount outstanding	140,000.00
Cash realized on amount issued	140,000.00
Amount of interest accrued during year	8,400.00
Amount of interest paid during year	8,400.00
Rate of interest, 6 per cent. When payable, annually.	

RECAPITULATION OF FUNDED DEBT.

Class of debt—mortgage bonds—amount issued	\$140,000.00
Amount outstanding	140,000.00
Amount interest accrued during year	8,400.00
Amount interest paid during year	8,400.00

CURRENT ASSETS AND LIABILITIES.**ASSETS.**

Cash	\$6,185.21
Bills receivable	9,584.22
Due from agents	517.15
Due from solvent companies and individuals	25,676.89
Net traffic balances due from other companies	352.00
Total	42,345.47

LIABILITIES.

Loans and bills payable	4,342.37
Audited vouchers and accounts	2,114.87
Wages and salaries	1,441.27
Net traffic balances due to other companies	15.46
Matured interest coupons unpaid	700.00
Total—current liabilities	8,613.97
Balance—cash assets	33,731.50
Total	42,345.47

Materials and supplies on hand, \$521.32.

COST OF ROAD, EQUIPMENT AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment	Total Cost to June 30, 1897.	Total Cost to June 30, 1898.	Cost Per Mile.
Locomotives	\$1,116.75			
Freight cars	1,288.15			
Total equipment	2,404.90	\$60,787.82	\$63,192.72	\$1,620.33
Total construction		443,193.70	443,193.70	11,362.92
Grand total cost construction, equipment, etc.	2,404.90	503,981.52	506,386.42	12,984.27
Grand total cost construction, equipment, etc.—North Carolina.	1,541.60	323,065.08	324,606.68	12,984.27

INCOME ACCOUNT.

Gross earnings from operation.....	\$52,323.44	-----
Less operating expenses	30,543.96	-----
Income from operation.....		\$21,779.48
Miscellaneous income	675.72	-----
Income from other sources.....		675.72
Total income		22,455.20
DEDUCTIONS FROM INCOME:		
Interest on funded debt accrued	8,400.00	-----
Taxes.....	1,022.83	-----
Total deductions from income		9,422.83
Net income		13,032.37
Dividends, 2 per cent, common stock		8,000.00
Total		5,032.37
Surplus on June 30, 1897 [from "General Balance Sheet," 1897 Report]		59,072.15
Surplus on June 30, 1898 [for entry on "General Balance Sheet"]		64,104.52

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue.....	\$2,703.52	-----	-----
Total passenger revenue.....			\$2,703.52
Mail	1,004.22	-----	-----
			1,004.22
Total passenger earnings.....			3,707.74
FREIGHT—			
Freight revenue.....	24,995.48	-----	-----
Total freight revenue.....			24,995.48
Total freight earnings.....			24,995.48
Total gross earnings from operation—North Carolina.			28,703.22
Total gross earnings from operation—Entire Line.			52,323.44

MISCELLANEOUS INCOME.

Item.	Gross Income.	Net Miscellaneous Income.
Wharfage		\$591.22
Scales		84.50
Total		675.72

OPERATING EXPENSES—Entire Line.

Item.	Amount.
Maintenance of way and structures	\$8,262.12
Maintenance of equipment	4,952.34
Conducting transportation	12,551.79
General expenses	4,777.71
Total	30,543.96
Percentage of expenses to earnings—Entire line	58.38

OPERATING EXPENSES.—North Carolina.

Item.	Amount.
Maintenance of way and structures	\$5,296.23
Maintenance of equipment	3,174.58
Conducting transportation	8,046.02
General expenses	3,062.64
Total	19,579.47
Percentage of expenses to earnings—North Carolina	68.21

Warrenton Railroad Company.

PROPERTY OPERATED.

Warrenton to Warren Plains (miles)	3
Capital stock	\$12,300.00
Funded debt	7,000.00
Cost of road	9,694.30
Cost of equipment	7,150.00
Gross earnings	4,615.44
Operating expenses	3,833.24
Cost of construction per mile	3,231.43

Wellington and Powellville Railroad Company

PROPERTY OPERATED.

Wellington, N. C., to Powellville, N. C. (miles)	24
Sidings (miles)	10
Capital stock	\$90,000.00
Cost of road	137,451.57
Cost of equipment	7,150.00
Gross earnings	17,842.03
Operating expenses	22,321.65

Winton Railroad & Lumber Company.

PROPERTY OPERATED.

St. Johns, N. C., to Winton, N. C.—main line (miles)	15
Sidings	5
Capital stock	\$30,000.00
Funded debt	30,000.00
Cost of road	45,000.00
Cost of equipment	10,000.00
Gross earnings	20,681.69
Operating expenses	14,620.31
Cost of construction per mile	2,250.00
Cost of construction and equipment per mile	2,750.00

Wilmington Seacoast Railroad Company.

PROPERTY OPERATED.

From Wilmington to Ocean (miles)	11.81
--	-------

CAPITAL STOCK.

Number of shares authorized—Common	1,500
Par value of shares	\$100.00
Total par value authorized	150,000.00
Total amount issued and outstanding	150,000.00

FUNDED DEBT.**MORTGAGE BONDS.**

Class of bond or obligation—Six per cent. 20 year. Date of issue, October 1st, 1891.	
Amount of authorized issue.....	\$50,000.00
Amount issued.....	47,000.00
Amount outstanding.....	47,000.00
Rate of interest, 6 per cent. When payable, April and October.	
Amount of interest paid during year.....	2,820.00

CURRENT ASSETS AND LIABILITIES.**ASSETS.**

Cash.....	\$1,318.51
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LIABILITIES.

Loans and bills payable.....	8,178.30
Audited vouchers and accounts.....	3,879.46

COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Total cost construction to June 30, 1898.....	\$133,368.91
Total cost equipment to June 30, 1898.....	26,354.01
Total cost construction and equipment per mile.....	13,523.53

INCOME ACCOUNT.

Gross earnings from operation.....	\$17,580.21	
Less operating expenses.....	12,539.09	
Income from operation.....		\$5,041.12
Total income.....		5,041.12
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued.....	2,820.00	
Interest on interest bearing current liabilities accrued.....	8,225.08	
Taxes.....	463.40	
Total deduction from income.....		11,508.48
Deficit.....		6,467.36
Deficit from operations of year ending June 30, 1898.....		6,467.36
Deficit on June 30, 1897 [from "General Balance Sheet," 1897 Report].		5,773.01
Additions for year.....	27.48	
Deductions for year.....	26,839.36	
		26,811.88
Deficit on June 30, 1898 [for entry on "General Balance Sheet"].....		39,032.25

BONDS OWNED.**RAILWAY BONDS.**

Wilmington Seacoast Railroad Company—total par value.....	\$3,000.00
Rate of interest, 6 per cent.	

OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures	\$3,401.73
Maintenance of equipment	1,965.68
Conducting transportation	5,127.05
General expenses	2,044.63
Total	12,539.09
Percentage of expenses to earnings—entire line	71½

Wilmington Railway Bridge Company.

PROPERTY OPERATED.

From Hilton to Mears' Bluff, 2.40 miles.

Capital stock	\$40,000.00
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FUNDED DEBT.

Second mortgage	\$50,000.00
Consolidated mortgage—date of issue, 1893, due 1943	150,000.00

RENTALS

Wilmington, Columbia and Augusta Railroad	\$6,185.00
Carolina Central Railroad	6,185.00
Total	12,370.00

The Wilmington Railway Bridge Company is owned jointly by the Wilmington and Weldon, Wilmington, Columbia and Augusta, and Carolina Central Railroad Companies, in the proportions of one-fourth, one-fourth and one-half respectively, in which these companies agree to pay all operating and fixed charges whatsoever, and the books of the Railway Bridge Company merely keep account of construction, stock, bonds and interest.

South Eastern Railroad Company.

PROPERTY OPERATED.

From Elrod to Ashpole, 14.25 miles. [Operated by Wilmington and Weldon R. R. Co.]

Capital stock	\$1,000.00
Funded debt	123,750.00
Cost of road	123,800.00
Gross earnings	588.44
Operating expenses	2,240.49

Atlanta, Knoxville & Northern Railway Company.

PROPERTY OPERATED.

Name.	TERMINALS.		Miles of Line for each road named.
	From—	To—	
Atlanta, Knoxville and Northern Railway Company.	Marietta, Ga.	Knoxville, Tenn.	205.12
	Blue Ridge, Ga.	Murphy, N. C.	25.00
Total .....	.....	.....	230.12

CAPITAL STOCK.

Capital stock: Common—number of shares authorized	30,000
Par value of shares	\$100.00
Total par value authorized	3,000,000.00
Total amount issued and outstanding	3,000,000.00
Amount of dividends declared during year	None.

OPERATING EXPENSES—Entire Line.

Item.	Amount.
OPERATING EXPENSES—ENTIRE LINE.	
Maintenance of way and structures	\$67,630.53
Maintenance of equipment	35,331.16
Conducting transportation	98,451.43
General expenses	22,775.15
Total	222,188.27
Percentage of expenses to earnings—Entire Line	67.7

OPERATING EXPENSES—State of North Carolina.

Item	Amount.
OPERATING EXPENSES—STATE OF NORTH CAROLINA.	
Maintenance of way and structures	\$1,997.17
Maintenance of equipment	972.12
Conducting transportation	2,170.96
General expenses	924.17
Total	6,064.42
Percentage of expenses to earnings—North Carolina	103.00

FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	INTEREST.	
			Amount Accrued Dur- ing Year.	Amount Paid Dur- ing Year.
Mortgage bonds	\$1,000,000.00	\$1,000,000.00	\$50,000.00	\$800.00
Income bonds	1,500,000.00	1,500,000.00	75,000.00	None.
Total	2,500,000.00	2,500,000.00	125,000.00	-----

INCOME ACCOUNT—Entire Line.

Gross earnings from operation	\$328,092.28	-----
Less operating expenses	222,188.27	-----
Income from operation	-----	\$105,904.01
Miscellaneous income—less expenses	19,842.67	-----
Income from other sources	-----	19,842.67
Total income	-----	125,746.68
DEDUCTIONS FROM INCOME—		
Interest on funded debt accrued	124,200.00	-----
Interest on interest-bearing current liabilities accrued, not otherwise provided for.	2,228.16	-----
Taxes	12,562.40	-----
Permanent improvements	83,064.27	-----
Other deductions	8,240.87	-----
Total deductions from income	-----	230,295.70
Deficit	-----	104,549.02
Deficit from operations of year ending June 30, 1898	-----	104,549.02
Deficit on June 30, 1897, [from "General Balance Sheet," 1897 Report].	-----	55,576.05
Deficit on June 30, 1898, [for entry on "General Balance Sheet"] ..	-----	160,125.07

EARNINGS FROM OPERATION.—State of North Carolina.

Item.	Total Receipts.	Deductions. Account of Repayments, etc.	Actual Earnings.
PASSENGER—			
Passenger revenue	\$67,558.07		
Less repayments—			
Excess fares refunded		\$46.52	
Total deductions		46.52	
Total passenger revenue			\$67,511.55
Mail			16,130.44
Express			7,572.27
Total passenger earnings			91,214.26
FREIGHT—			
Freight revenue	226,142.76		
Less repayments—			
Overcharge to shippers		1,902.00	
Total deductions		1,902.00	
Total freight revenue			224,240.76
Total freight earnings			224,240.76
Total passenger and freight earnings			315,455.02
OTHER EARNINGS FROM OPERATION—			
Telegraph companies			1,544.51
Other sources			11,092.75
Total other earnings			12,637.26
Total gross earnings from operation—North Carolina			5,898.35
Total gross earnings from operation—Entire Line			328,092.28

COMPARATIVE GENERAL BALANCE SHEET.

JUNE 30, 1897.	ASSETS.	YEAR ENDING JUNE 30, 1898.		
		Total.	Increase.	Decrease.
Total.				
\$6,000,000.00	Cost of road	\$5,500,000.00	-----	\$500,000.00
21,643.20	Cash and current assets	23,363.59	\$1,720.39	-----
	OTHER ASSETS.			
10,368.74	Materials and supplies	14,811.57	4,442.83	-----
55,576.05	Profit and loss	160,125.07	104,549.02	-----
6,087,587.99	Grand total	5,698,300.24	110,712.24	500,000.00
	LIABILITIES.			
3,000,000.00	Capital stock	3,000,000.00	-----	-----
3,000,000.00	Funded debt	2,500,000.00	-----	500,000.00
87,587.99	Current liabilities	198,300.23	110,712.24	-----
6,087,587.99	Grand total	5,698,300.23	110,712.24	500,000.00

Norfolk & Western Railway Company.

PROPERTY OPERATED—North Carolina.

Lynchburg and Durham Division—	
Durham, N. C., to Lynchburg, Va	115 miles.
41.69 miles in North Carolina.	
Roanoke and Southern Division—	
Winston-Salem to Roanoke, Va	124 miles.
45.65 miles in North Carolina.	
Gross earnings (North Carolina) for the year ending March 31, 1898	\$144,324.00
Operating expenses (North Carolina) for the year ending March 31, 1898	108,881.98

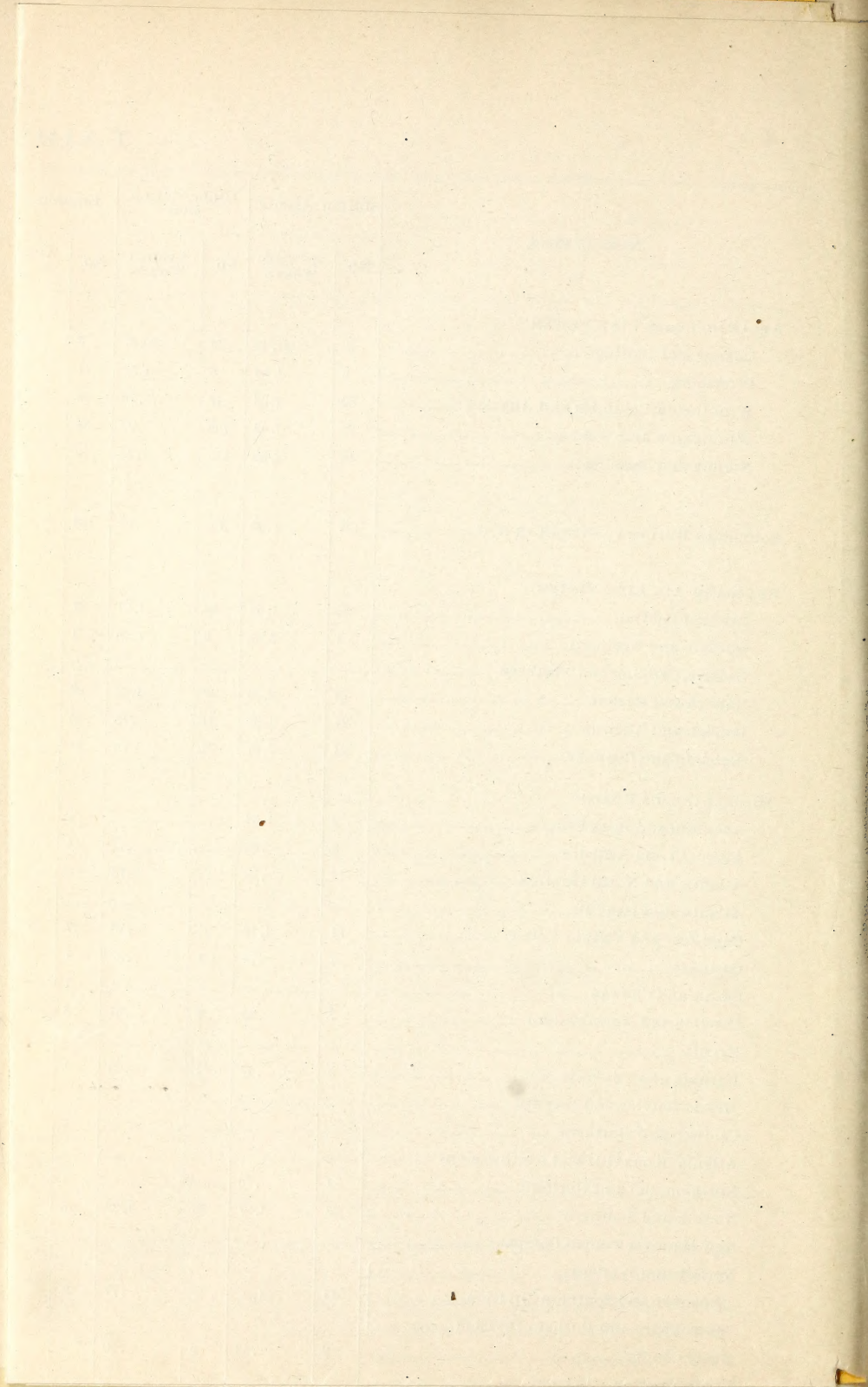
TABLE A—Employees and Daily Average Compensation.

Name of Road.	Station Agents.		Other Station Men.		Enginemen.		Firemen.		Conductors.		Other Trainmen.		Machinists.		Carpenters.		Other Shopmen.		Section Foremen.		Other Trackmen.		Switch Flag Watchmen.		Telegraph Operators.		Other Employees.		Total.
	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	No.	Average Wages.	
ATLANTIC COAST LINE SYSTEM—																													
Cheraw and Darlington.....	18	\$1.45	18	\$0.87	3	\$3.55	3	\$1.00	4	\$2.44	8	\$0.87							11	\$1.05	49	\$0.67	6	\$0.74	2	\$1.30			122
Petersburg.....	8	1.54	6	1.52	11	4.04	13	1.07	7	2.50	20	.92	2	\$2.83	3	\$2.23	4	\$1.83	9	1.56	7	1.74	23	.95	15	1.77	128	.93	256
Wilmington, Columbia and Augusta.....	30	1.33	47	.76	26	3.48	31	1.03	20	2.40	37	.88	38	2.44	39	1.80	102	1.00	29	1.23	176	.64	33	1.00	13	1.08	26	1.24	644
Wilmington and Weldon.....	73	1.43	109	.91	53	3.31	54	1.02	33	2.81	76	.89	56	2.55	88	1.89	170	1.00	64	1.27	302	.73	47	.89	36	1.76	55	.90	1,306
Norfolk and Carolina.....	16	1.89	153	1.21	19	3.87	26	1.04	11	2.49	33	1.02	1	2.45	5	2.12	29	1.12	17	1.58	189	.71	23	1.08	15	1.01	43	.85	588
																													2,916
SOUTHERN RAILROAD SYSTEM IN N. C.....																													
134	1.30	3.0	.93	123	4.01	124	1.81	86	3.08	206	1.48	72	2.81	130	1.31	141	1.37	137	1.24	618	.75	93	1.50	102	1.67	371	1.11	2,668	
SEABOARD AIR LINE SYSTEM—																													
Carolina Central.....	35	1.58	69	1.07	27	3.01	27	.96	24	1.41	20	.81							29	1.38	220	.62	10	.83	15	1.32	37	.81	504
Durham and Northern.....	4	1.82	6	1.16	4	3.01	4	.88	2	2.38	3	1.00							5	1.37	15	.69	2	.81	2	1.43	9	1.00	56
Georgia, Carolina and Northern.....																													35
Raleigh and Gaston.....	18	2.03	47	1.25	20	2.98	20	.99	9	2.65	41	.97	82	2.11	88	1.72	212	1.47	14	1.38	140	.63	14	.92	13	1.60	212	1.20	930
Raleigh and Augusta.....	21	1.37	41	.78	29	2.80	20	.97	11	2.01	20	.90							13	1.23	121	.61	7	1.01	8	1.34	20	.94	302
Seaboard and Roanoke.....	24	1.61	22	.76	21	3.73	22	1.27	12	2.41	30	1.31							13	1.74	105	.89	13	.81	10	1.76	261	1.10	221
																													2,048
MISCELLANEOUS ROADS—																													
Aberdeen and Rock Fish.....	2	1.34			1	1.92	1	.96	1	.96	2	.60							2	1.34	12	.60							21
Aberdeen and Ashboro.....	8	.98			4	1.51	4	.75	2	1.51	8	.65	2	1.90	2	1.40	2	1.25	6	1.15	38	.60							76
Atlantic and North Carolina.....	18	.76	15	.73	5	2.64	4	.83	2	2.17	5	.70	1	2.00	1	2.00	13	1.01	8	1.17	48	.60	9	.83	3	.78	51	.85	194
Atlantic and Danville.....																													43
Cape Fear and Yadkin Valley.....	61	1.16	81	.88	27	2.99	22	1.12	18	2.22	60	1.07	10	2.32	54	1.28	42	1.00	52	1.23	210	.50	31	1.07	21	1.43	10	1.02	688
Carthage.....	4	.77	1	.57	1	2.00	1	1.00	1	1.34	3	.57							3	1.35	14	.57	1						27
Cashie and Chowan.....					1	3.00	1	1.00	1	1.75	6	.90	1	2.00	1	2.00			1	2.00	10	.90	1	1.00					23
Carolina and Northwestern.....	7	.80	6	.51	5	2.31	5	1.40	4	2.46	12	.53	2	2.05	3	1.23	8	.90	6	1.11	18	.75	1		2	1.05	8	1.40	86
Egypt.....																													15
Durham and Charlotte.....	5	.47	1	.33	1	1.66	1	.66	1	1.50	1	.66							2	1.16	8	.75							15
Hendersonville and Brevard.....																													12
Caldwell and Northern.....					1	2.25	1	1.00			3	.60	2	1.25	2	1.00	1	1.00	4	.60							37	1.00	51
Atlanta, Knoxville and Northwestern.....																													30
Northampton and Hertford.....	1	.76			1	1.50	1	.75	1	1.34	2	.75							2	1.52	11	.75							19
Norfolk and Southern.....	23	1.27	30	1.22	13	1.99	13	.91	7	1.98	24	.95	10	2.10	20	1.47	58	1.14	16	1.62	80	.80	23	1.30	7	1.62	240	1.30	564
New Hanover Transit Company.....																													6
Norfolk and Western.....																													
Roanoke and Southern Division.....	13	1.97	19	.77	21	3.20	23	1.60	15	2.54	42	1.24	1	2.30	14	1.76	3	.87	10	1.36	59	1.00			5	1.38	74	.91	269
Lynchburg and Durham Division.....																													
Moore County.....	2	.46	6	.60	2	1.62	2	1.50			2	1.20							1	1.25	4	.63							19
Red Springs and Bowman.....																													14
Suffolk and Carolina.....	2	.85	7	.85	2	2.22	4	1.02	4	1.58	2	1.00	6	1.42	2	1.67	2	1.20	1	1.57	3	.80	26	1.03	3				62
Warrenton.....																													4
Wellington and Powellsville.....																													
Wilmington Sea Coast.....	1		2		1		1		1		1			1					1		4		1				12		26
Winton.....																													40
																													2,334

Total number of employees..... 9,966

Less employees on lines (in proportion to mileage) extending beyond the limits of the State..... 1,167

Total number of employees in North Carolina..... 8,999



Ohio River & Charleston Railway Company.

PROPERTY OPERATED—State of North Carolina.

Ohio River and Charleston Railway Company, from Marion, N. C., to State Line between North Carolina and South Carolina, miles 64.15.

Spurs between Marion, N. C., to State Line between North Carolina and South Carolina, miles 10. Total 64.25.

Gross receipts for the year ending March 31, 1898—Entire Line.....	\$202,801.90
Operating expenses for the year ending March 31, 1898—Entire Line.....	188,706.20
Gross receipts for North Carolina (mileage basis).....	62,967.00
Gross operating expenses for North Carolina (mileage basis).....	58,590.00

PROPERTY OPERATED—Entire Line.

Name.	TERMINALS.		Miles of Line for each Road named.	Miles of Line for each Class of Roads named.
	From—	To—		
Ohio River and Charleston Railway Company, Carolinas Division.	Marion, N. C.	Camden, S. C.	171.40	-----
Tennessee Division.....	State Line between N. C. and Tennessee.	Allison Mills, Tenn.....	32.34	203.74
Spurs—Carolinas Division..	Marion, N. C.	Camden, S. C.	2.87	2.87
Total.....	-----	-----	-----	206.61

Asheville Street Railroad Company.

J. E. RANKIN, Receiver, Asheville, N. C.

Mileage, $6\frac{1}{2}$ miles.

Also operates one mile of the Asheville and Craggy Mountain Railway.

Gross Earnings.....	\$50,954.67
Operating expenses.....	43,237.82
Net income from operation.....	7,721.85

Asheville and Biltmore Electric Street Railway and Transportation Company.

PRESIDENT.—W. T. Weaver, Asheville, N. C.

SECRETARY AND TREASURER.—Wm. B. Williamson, Asheville, N. C.

SUPERINTENDENT—Charles E. Waddell, Asheville, N. C.

Mileage, $3\frac{1}{2}$ miles.

Capital stock	\$25,000.00
Funded debt	15,000.00
Gross earnings from operation from Nov., 1897 (date of beginning operation) to June 30, 1898	3,668.38
Operating expenses	2,595.16
Income from operation	1,073.22
DEDUCTIONS FROM INCOME—	
Interest on funded debt	\$225.00
Taxes	94.00
Total deductions from income	319.00
Net income	754.22
Number of passengers carried from Nov., 1897, to June 30, 1898	73,370
Number of passengers carried per mile of track operated	31,000
Number of car miles run	22,162
Number of round trips run	4,925

Charlotte Electric Railway, Light and Power Company.

PRESIDENT.—E. D. Latta, Charlotte, N. C.

SECRETARY.—J. L. Chambers, Charlotte, N. C.

TREASURER.—E. D. Latta, Charlotte, N. C.

SUPERINTENDENT—F. D. Sampson.

Mileage operated, 4.55 miles.

Capital stock	\$60,000.00
Funded debt	100,000.00
Gross earnings from operation	30,938.74
Operating expenses	14,903.51
Net income from operation	16,035.23
DEDUCTIONS—	
Interest on funded debt	\$6,000.00
Taxes	462.52
Total deductions	6,462.50
Net income	13,572.73
Number of passengers carried during year	529,642

Asheville and Craggy Mountain Railway Company.

PRESIDENT.—W. B. Gwyn, Asheville, N. C.

Part of line operated by the Asheville Street Railroad Company; the other not operated.

The Intermontane Electric Railroad Company.

PRESIDENT.—J. S. Adams, Asheville, N. C.

SECRETARY—TREASURER.—J. E. Dickerson, Asheville, N. C.

Mileage, $2\frac{3}{4}$ miles.

Capital stock.....	\$20,000.00
Gross income from operation.....	5,969.49
Operating expenses.....	5,875.90
Net income from operation.....	93.59
Income from other sources.....	77.80
	171.39
DEDUCTIONS—	
Taxes.....	\$159.54
	159.54
Net income.....	11.85
Number of passengers carried during year.....	142,589
Number of passengers carried per mile of track.....	272.000
Number of round trips run.....	8,925
Number of car miles run.....	49,000

The Raleigh Electric Company.

PRESIDENT.—William J. Andrews, Raleigh, N. C.

SECRETARY.—Charles C. Johnson, Raleigh, N. C.

TREASURER.—F. H. Briggs, Raleigh, N. C.

SUPERINTENDENT.—Charles C. Johnson.

Mileage operated, 3.50 miles.

Capital stock.....	\$58,300.00
Funded debt.....	75,000.00
Gross income from operation.....	33,770.62
Operating expenses.....	28,607.00
Net income from operation.....	5,163.62
Number of passengers carried, including transfers.....	284,000

The Winston-Salem and Electric Railway Company.

PRESIDENT.—J. N. McClement, New York.

SECRETARY-TREASURER.—R. G. Day, New York.

MANAGER.—F. W. McClement, Winston, N. C.

Mileage operated, 5.91 miles.

Capital stock	\$150,000.00
Funded debt	200,000.00
Gross income from operation	29,517.23
Operating expenses	23,157.25
Net income from operation	6,359.98
Income from other sources	947.03
	7,037.01
DEDUCTIONS—	
Interest on funded debt	\$12,000.00
Taxes	1,378.00
Total deductions from income	13,378.32
Deficit	6,071.31
Number of passengers carried during year	263,150
Number of passengers carried per mile of track	44,300
Number of round trips run	50,058
Number of car miles run	161,159

Atlantic Postal Telegraph Cable Company.

PROPERTY OPERATED IN NORTH CAROLINA.

Miles of line	317.55
Miles of wire in excess of one wire	1,251.91
Capital stock (entire line)	\$50,000.00
Gross earnings	2,676.09
Operating expenses	2,564.98

Western Union Telegraph Company.

PROPERTY OPERATED.

United States and to Great Britain—Poles and cables (miles)	190,614
Wire (miles)	841,002
Miles of owned wire in the State of North Carolina	12,631
Number of offices—Operated jointly	292
Number of offices—Operated independently	26
	318
Number of messages sent for year ending March 31st, 1898	515,559
Gross receipts	\$125,509.11
EXPENSES—	
Paid managers and operators	\$30,036.32
Paid railroad proportion	10,100.87
Paid clerks and office boys	2,029.50
Paid messenger service	8,081.76
Paid battery men	180.00
Paid other employees	30.00
Paid rent, fuel and lights	4,905.71
Paid taxes	3,344.03
Paid batteries and instruments	8,830.58
Paid stationery	2,480.35
Paid miscellaneous items	2,911.62
Paid maintenance of lines and wires	38,965.72
	111,896.46
Net revenue	13,612.65

Pullman's Palace Car Company.

Gross earnings—North Carolina	\$80,418.00
Operating expenses—North Carolina	72,121.00
Net earnings	8,297.00

COST OF ROAD, CAPITAL STOCK, FUNDED DEBT, Etc.—NORTH CAROLINA.

Name.	Cost of Road.	Capital Stock.	Funded Debt.	Capital Stock Per Mile.	Funded Debt Per Mile.
ATLANTIC COAST LINE—					
Cheraw and Darlington.....	\$140,708	\$50,400	\$77,616	\$3,546	\$5,461
Petersburg.....	335,292	138,489	182,668	19,840	26,170
Wilmington, Columbia and Augusta.....	1,101,490	364,800	736,799	3,894	7,855
Wilmington and Weldon.....	11,315,657	3,000,000	7,880,000	4,892	12,818
Norfolk and Carolina.....	2,223,910	1,481,500	1,028,970	22,455	15,450
Southeastern.....	123,800	1,000	123,750	98	11,000
	15,243,857	5,039,289	10,029,803		
SOUTHERN RAILWAY—					
Atlanta and Charlotte Air Line.....	1,153,148	272,260	880,861	6,339	20,509
Asheville and Spartanburg.....	560,313	329,797	314,092	7,871	7,496
High Point, Randleman, Ashboro and Southern.....	652,984	250,000	402,000	9,328	15,000
North Carolina.....	4,975,627	4,000,000		17,893	
North Carolina Midland.....	1,406,750	820,000	645,000	15,428	12,135
State University.....	31,408	31,300		3,069	
Yadkin.....	1,241,475	625,000	615,000	15,244	15,000
Southern Railway*.....	31,374,035	29,530,477	16,862,585	50,033	28,570
	41,455,770	35,858,831	19,719,538		
SEABOARD AIR LINE—					
Carolina Central.....	5,934,880	1,200,000	5,250,000	4,585	19,839
Durham and Northern.....	415,750	290,100	150,000	7,007	3,623
Georgia, Carolina and Northern.....	341,831	28,108	81,400	2,010	20,135
Raleigh and Gaston.....	1,611,776	1,500,000	1,200,000	15,069	12,055

SEABOARD AIR LINE—Continued.

Rateigh and Augusta.....	\$1,990,685	\$873,600	\$1,000,000	\$8,185	\$9,369
Roanoke and Tar River.....	266,203	5,150	290,000	159	8,049
Seaboard and Roanoke.....	1,363,527	1,388,400	3,190,000	17,077	39,237
Palmetto.....	299,662	300,000		16,483	
	12,254,267	5,585,358	11,131,400		
MISCELLANEOUS—					
Aberdeen and Rock Fish.....	70,933	94,770		4,323	
Aberdeen and Ashboro.....	255,951	250,000	80,000	3,937	2,000
Atlantic and North Carolina.....	2,177,027	1,797,200	325,000	18,917	3,421
Atlantic and Danville.....	529,444	425,113.00	99,696		
Cape Fear and Yadkin Valley.....	7,334,029	1,972,900	4,922,700	5,956	14,861
Carthage.....	79,400	16,050		857	
Casbie and Chowan.....	68,000	100,000		4,545	
Caldwell and Northern.....	83,893	80,500		7,594	
Carolina and Northwestern.....	25,652	114,180	269,443	1,829	4,318
Danville, Mocksville and Southwestern.....	102,944	50,300		6,287	
Durham and Charlotte.....	160,000	30,000		1,875	
East Tennessee and Western North Carolina.....	61,014	41,285	22,058	14,761	7,352
Egypt.....	226,227	125,000	108,000	15,025	13,500
Hendersonville and Brevard.....	120,000				
New Hanover Transit Company.....	5,000	8,650	2,500	2,883	833
Northampton and Hertford.....	30,111	25,000		2,777	
Norfolk and Southern.....	2,176,139	1,555,600	588,360	19,445	7,292
Norfolk and Western, Roanoke and Southern Division*.....					
Norfolk and Western, Lynchburg Division*.....	2,791,107	4,845,972	2,873,967	55,484	29,471
Moore County.....	53,465	38,950		3,116	

COST OF ROAD, CAPITAL STOCK, FUNDED DEBT, Etc.—NORTH CAROLINA—Continued.

Name.	Cost of Road.	Capital Stock.	Funded Debt.	Capital Stock Per Mile.	Funded Debt Per Mile.
MISCELLANEOUS—Continued.					
Ohio River and Charleston Railway*	1,954,810	1,923,516		29,938	
Red Springs and Bowman	38,000				
Suffolk and Carolina	324,606	256,410	89,743	10,253	3,589
Warrenton	9,694	12,300	7,000	4,100	2,333
Wellington and Powellsville	137,451			4,000	
Wilmington Sea Coast	159,722	150,000	50,000	12,701	4,234
Winton	45,000	30,000	30,000	2,000	2,000
Total	19,020,219	13,946,096	14,386,197		

* Mileage basis.

RECAPITULATION OF EARNINGS, Etc — NORTH CAROLINA.

	Gross Earnings from Operation.	Operating Expenses.	Income from Operation.	Income from other Sources.	Gross Income—all Sources.	Earnings from Operation per Mile of Road.	Operating Expenses per Mile of Road.
ATLANTIC COAST LINE SYSTEM.							
Cheraw and Darlington.....	\$18,278.91	\$11,233.00	\$7,045.91		\$7,045.91	\$1,315.03	\$608.14
Petersburg.....	69,628.35	34,009.00	35,619.35		35,619.35	9,904.46	4,837.78
Wilmington, Columbia and Augusta.....	293,109.00	215,063.00	78,046.00		78,046.00	3,124.84	2,292.79
Wilmington and Weldon.....	2,200,043.83	1,210,450.11	939,593.72	31,805.75	991,399.47	3,579.92	2,018.47
Norfolk and Carolina.....	407,808.95	236,717.43	171,151.52		171,151.52	6,169.55	3,580.66
	2,988,939.04	1,737,472.54	1,251,456.50	31,805.75	1,283,262.25		
SOUTHERN RAILWAY SYSTEM.							
Atlanta and Charlotte Air Line.....	273,767.85	215,831.18	57,836.67		57,836.67	6,374.10	5,027.50
Asheville and Spartanburg.....	138,613.00	117,098.00	21,515.00		21,515.00	3,308.18	2,791.71
High Point, Randleman, Ashboro and Southern.....	41,997.12	27,307.56	14,689.56		14,689.56	1,567.06	1,018.94
North Carolina.....	1,688,339.81	1,269,060.58	419,279.26		419,279.26	7,552.40	5,676.85
North Carolina Midland.....	13,605.02	20,154.44	6,549.42 d			520.27	770.72
State University.....	8,162.02	10,547.08	2,385.06 d			800.19	1,073.24
Yadkin.....	33,156.53	33,015.20	141.33		141.33	808.69	805.25
Southern Railway—owned lines.....	2,503,611.37	1,283,678.63	1,219,962.74		1,219,962.74	3,521.79	1,805.70
	4,701,282.75	2,976,792.67	1,724,489.08		1,724,489.08		
SEABOARD AIR LINE SYSTEM.							
Carolina Central.....	616,415.57	434,442.39	181,973.18	798.75	182,771.93	2,254.38	1,588.86
Durham and Northern.....	78,934.10	56,391.32	22,542.78	1,265.77	23,808.55	1,906.62	1,362.10
Georgia, Carolina and Northern.....	43,276.02	40,428.19	2,847.83		2,847.83	3,092.50	2,696.81
Raleigh and Gaston.....	589,049.92	355,012.28	234,037.64	54,420.26	288,457.90	5,377.49	3,240.94

RECAPITULATION OF EARNINGS, Etc.—NORTH CAROLINA—Continued.

	Gross Earnings from Operation.	Operating Expenses.	Income from Operation.	Income from other Sources.	Gross Income—all Sources.	Earnings from Operation per Mile of Road.	Operating Expenses per Mile of Road.
SEABOARD AIR LINE—Continued.							
Raleigh and Augusta.....	\$434,521.82	\$358,894.71	\$75,627.11	\$7,088.67	\$83,315.78	\$3,191.96	\$2,636.41
Seaboard and Roanoke—Inclu'd in S. & R.	393,043.54	243,659.81	149,383.73	26,867.08	176,251.41	7,654.62	4,744.53
	2,155,240.97	1,488,824.70	666,412.27	91,071.13	757,483.40		
MISCELLANEOUS.							
Aberdeen and Rock Fish	13,871.85	7,623.87	6,250.98		6,250.98	590.41	324.42
Aberdeen and Ashboro.....	73,130.66	41,905.98	31,224.68		31,224.68	1,151.46	659.93
Atlantic and North Carolina.....	173,567.40	90,087.76	83,479.64		83,479.64	1,826.91	948.26
Atlantic and Danville.....	44,897.68	32,229.17	12,668.51		12,668.51		
Cape Fear and Yadkin Valley Rwy. Co.....	597,195.21	477,091.60	120,103.61		120,103.61	1,747.51	1,396.07
Carthage.....	21,605.29	14,107.18	7,498.11		7,498.11	1,167.89	961.60
Cashie and Chowan.....	12,000.00	12,000.00				631.55	631.55
Caldwell and Northern.....	5,407.29	7,334.75	1,927.46 d			508.70	691.95
Carolina and Northwestern.....	75,999.97	49,921.74	26,078.23		26,078.23	1,046.83	687.61
Danville, Mocksville and Southwestern.....	2,591.89	2,591.89				323.98	323.98
Durham and Charlotte.....	5,130.40	9,490.20	4,359.80 d			320.65	583.13
East Tennessee and W. N. C. R. R.	3,841.26	3,307.32	533.94		533.94	1,280.42	1,101.44
Egypt.....	8,294.42	4,033.52	4,240.90		4,240.90	1,036.80	546.69
Hendersonville and Brevard.....	9,782.65	9,306.37	476.28		476.28	441.66	336.43
Northampton and Hertford.....	13,500.11	8,774.79	4,815.32		4,815.32	1,510.01	974.97
Norfolk and Southern.....	387,721.22	228,125.29	159,595.93		159,595.93	4,798.52	3,194.62
New Hanover Transit Company.....	1,962.66	1,082.35	880.31		880.31	516.49	284.82

MISCELLANEOUS—Continued.

Norfolk and Western—R. and S. Div-----	144,324.56	108,881.98	35,442.58	35,442.58		
Norfolk and Western—Lynchburg Div-----	13,725.29	11,646.52	2,078.70	2,078.70	1,098.00	931.00
Moore County-----						
Ohio River and Charleston	28,703.22	19,579.47	9,123.75	9,123.75	1,148.13	783.18
Suffolk and Carolina-----	4,615.44	3,833.24	728.20	728.20	1,538.20	1,277.75
Warrenton-----	17,842.03	22,321.65	4,479.62 d		743.41	930.06
Wellington Powellsville-----	17,580.21	12,539.09	5,011.12	5,041.12	1,488.59	1,061.73
Wilmington Sea Coast-----	20,681.69	11,620.31	6,061.38	6,061.38	1,378.77	974.00
Winton-----						
Total-----	1,698,065.40	1,192,456.04	505,609.36	505,609.36		

ACCIDENTS TO PERSONS.

NAME.	PASSENGERS.		EMPLOYEES		TRESPASSING.		NOT TRESPASSING.		TOTAL.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
ATLANTIC COAST LINE—										
Chowan and Darlington.....		1		5	1	1			1	7
Petersburg.....			1	1	1	2			2	3
Wilmington, Columbia and Augusta.....		6		44	2	12			2	62
Wilmington and Weldon.....		17	4	94	21	20		1	25	132
Norfolk and Carolina.....		1	2	11			1	1	3	13
		25	7	155	25	35	1	2	33	217
SOUTHERN RAILWAY—										
Atlanta and Charlotte Air Line.....		1		14	4	2			4	17
Asheville and Spartanburg.....		3	1	8				1	1	12
High Point, Randleman, Ashlboro and Southern.....								1		1
North Carolina.....		17	2	96	10	24		4	12	138
Southern Railway.....		17	5	245	18	9	1	12	24	283
State University.....		2								2
		40	8	363	32	32	1	18	41	453
SEABOARD AIR LINE—										
Carolina Central.....		5	1	28	4	6			5	39
Durham and Northern.....				2	1				1	2
Raleigh and Gaston.....	2	4		11	1	1			3	16
Raleigh and Augusta.....		2	2	21	3	2			5	28
Seaboard and Roanoke.....		1	2	14	2	1			4	16
	2	12	5	79	11	10			18	101

ACCIDENTS TO PERSONS—Continued.

Item.	PASSENGERS.		EMPLOYEES.		TRESPASSING.		NOT TRESPASSING.		TOTAL.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
MISCELLANEOUS—										
Aberdeen and Ashboro.....	-----	-----	-----	3	-----	-----	-----	-----	-----	3
Cape Fear and Yadkin Valley.....	-----	-----	2	1	3	3	-----	-----	5	4
Caldwell and Northern.....	-----	-----	-----	1	-----	-----	-----	-----	-----	1
Norfolk and Southern.....	-----	-----	1	-----	1	-----	-----	-----	2	-----
Norfolk and Western.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Ohio River and Charleston.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Suffolk and Carolina.....	-----	-----	-----	-----	-----	1	-----	-----	-----	1
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